

NH Docket DT 07-011
Exhibit SES-4
Transition Services Agreement
Schedules A through E

EXECUTION COPY

TRANSITION SERVICES AGREEMENT

by and among

VERIZON INFORMATION TECHNOLOGIES LLC,

NORTHERN NEW ENGLAND TELEPHONE OPERATIONS INC.,

ENHANCED COMMUNICATIONS OF NORTHERN NEW ENGLAND INC.

and

FAIRPOINT COMMUNICATIONS, INC.

January 15, 2007

ARTICLE I

DEFINITIONS

ARTICLE II

TRANSITION SERVICES

2.1	Transition Services and Fees.....	7
2.2	Third-Party Vendor Costs	8
2.3	Special Services and Fees.....	8
2.4	Schedule B Fee.....	9
2.5	Service Administration.....	9
2.6	Supplier to Pay Its Affiliates and Vendors.....	9
2.7	Supplier Cutover Planning Services.....	9
2.8	Performance by Buyers and FairPoint.....	9
2.9	Services Not to Be Withheld.....	10

ARTICLE III

SCOPE OF SERVICES; CHANGES

3.1	General Scope.....	10
3.2	Changes in Scope.	11

ARTICLE IV

CUTOVER REPORTS

4.1	Cutover Plan.....	12
-----	-------------------	----

ARTICLE V

THIRD-PARTY INTELLECTUAL PROPERTY

5.1	Intellectual Property	14
5.2	Obtaining Waivers or Licenses.	15
5.3	Alternatives.	16

ARTICLE VI

PAYMENT FOR TRANSITION SERVICES

Table of Contents
(continued)

Page

6.1	Payment Upon Termination	17
6.2	Closing Date Service Payments.....	17
6.3	Subsequent Service Invoices and Payment.	17
6.4	Invoices	18
6.5	Late Payment.....	18
6.6	Surviving Obligations.....	19

ARTICLE VII

SERVICE LEVEL COMMITMENTS

7.1	General	19
7.2	Supplier Cooperation.....	19
7.3	Correction.....	19

ARTICLE VIII

PERSONNEL AND SYSTEMS PROVIDING TRANSITION SERVICES

8.1	Personnel	20
8.2	Intellectual Property, Equipment and Systems.....	20

ARTICLE IX

INTENTIONALLY OMITTED

ARTICLE X

EMPLOYMENT OF CONTRACTORS OR THIRD PARTIES

10.1	Subcontractors	20
10.2	Subcontractor Payments.....	21

ARTICLE XI

SINGLE POINT OF CONTACT; DISPUTE RESOLUTION

11.1	Single Point of Contact.....	21
11.2	Dispute Resolution	21

ARTICLE XII

POLICIES, PROCEDURES AND TRAINING

Table of Contents
(continued)

Page

12.1	Policies and Procedures.....	22
12.2	Training	22
12.3	No Warranty	22

ARTICLE XIII

TERM

13.1	Term	22
13.2	Full Term Cutover Notice	23
13.3	Notice of Readiness for Early Cutover in Respect of Schedule A, Schedule C and Schedule D Services.	23
13.4	Notice of Readiness for Early Cutover in Respect of Schedule A Services and Schedule D Services Only	24
13.5	Notice of Readiness for Early Cutover in Respect of Schedule C Services Only	24
13.6	Cutover Date Notice	24

ARTICLE XIV

TERMINATION

14.1	Termination of Agreement	25
14.2	Post Expiration Continuation of Services.....	26
14.3	Survival	26

ARTICLE XV

LIMITATION ON LIABILITIES

15.1	Limitation on Liabilities	26
15.2	No Warranties; No Special Damages	27
15.3	Exceptions to Limitations.....	27

ARTICLE XVI

INDEMNIFICATION

16.1	Indemnification by Surviving Corporation	27
16.2	Indemnification by Supplier	28
16.3	Tax Indemnification	28
16.4	Indemnification Procedure- Defense of Claims.	28
16.5	Surviving Liability.	30

ARTICLE XVII

TAXES

Table of Contents
(continued)

Page

17.1 Taxes31

ARTICLE XVIII

RECORDS; ACCESS

18.1 Records.....31
18.2 Access to Books, Records, Personnel.....32

ARTICLE XIX

DISPUTE RESOLUTION

19.1 General32
19.2 Initiation32
19.3 Arbitration Request33
19.4 Injunctive Relief and Specific Performance.....33

ARTICLE XX

PLANT WORK RULES AND RIGHT OF ACCESS

20.1 Compliance.....34
20.2 Access to Facilities.....34
20.3 Computer Matters.....34

ARTICLE XXI

INSURANCE

21.1 Coverage.....35
21.2 Self-insurance.....35
21.3 Rating35
21.4 Subrogation35
21.5 Indemnification36

ARTICLE XXII

MISCELLANEOUS

22.1 Notices.....36
22.2 Assignment; Exclusivity.....38
22.3 Amendments.....38
22.4 Headings/Captions.....38
22.5 Entire Agreement38
22.6 Waiver39

Table of Contents
(continued)

Page

22.7	Counterparts	39
22.8	Governing Law.....	39
22.9	Further Assurances	40
22.10	Severability.....	40
22.11	No Third-Party Beneficiary.....	40
22.12	Independent Contractor	40
22.13	Governing Provisions	40
22.14	Force Majeure.....	41
22.15	Confidentiality.....	41

TRANSITION SERVICES AGREEMENT

Transition Services Agreement, dated as of January 15, 2007, by and among Verizon Information Technologies LLC ("Supplier"), Northern New England Telephone Operations Inc. and Enhanced Communications of Northern New England Inc. (collectively, "Buyers") and FairPoint Communications, Inc. FairPoint ("FairPoint" and following the Closing, the "Surviving Corporation").

RECITALS

WHEREAS, Verizon Communications Inc., Northern New England Spinco Inc., and FairPoint have entered into an Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), pursuant to which FairPoint will be the surviving entity in a merger ("Merger") with Northern New England Spinco Inc.; and Verizon Communications Inc. and Northern New England Spinco Inc. have entered into a Distribution Agreement, dated as of the date hereof (the "Distribution Agreement");

WHEREAS, Buyers will be, after the consummation of the Merger, subsidiaries of the Surviving Corporation;

WHEREAS, after the Merger, the Surviving Corporation and Buyers will operate certain businesses including, but not limited to, businesses which provide local exchange and long distance telecommunications services in the States of Maine, New Hampshire and Vermont which businesses were formerly operated by Affiliates of Supplier;

WHEREAS, Supplier and its Affiliates have employees with expertise and capabilities to provide the Transition Services described herein and in the attached Schedules; and

WHEREAS, Buyers, FairPoint and Supplier (each, a "party" and collectively, the "parties") desire to enter into an agreement whereby Supplier and its Affiliates, on the terms and conditions set forth in this Agreement, will provide certain Transition Services to the Buyers exclusively for the benefit of the Spinco Business and not for the benefit of FairPoint's or Surviving Corporation's other Affiliates.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows.

ARTICLE I

DEFINITIONS

Capitalized terms used in this Agreement or its Schedules but not defined herein or therein shall have the meanings given them in the Merger Agreement. Other capitalized terms, as used herein, have the meanings set forth below or elsewhere in this Agreement.

“Agreement” means this Transition Services Agreement, together with the Schedules attached hereto and made a part hereof.

“Applicable Rate” means the three-month LIBOR rate published on Telerate Page 3750 as of 11:00 a.m. London time, on the date which is two days prior to the date such rate is determined less 10 basis points, such rate to be reset every 90 days.

“Approved Third-Party Intellectual Property” has the meaning set forth in Section 5.1(ii) hereto.

“Buyers” has the meaning set forth in the preamble hereto.

“Change of Control” means (i) any transaction or series of transactions in which any person or group (within the meaning of Rule 13d-5 under the Securities Exchange Act and Sections 13(d) and 14(d) of the Securities Exchange Act) that is a direct or indirect “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act), acquires by way of a stock issuance, stock purchase, tender offer, merger, consolidation or other business combination or otherwise, greater than 50% of the total voting power entitled to vote in the election of directors of either of the Buyers, or the Surviving Corporation, (ii) any merger, consolidation, reorganization or other business combination with a Person in which either of the Buyers or the Surviving Corporation does not survive, (iii) any merger, consolidation, reorganization or other business combination in which either of the Buyers or the Surviving Corporation survives, but the shares of common stock outstanding of either of the Buyers or Surviving Corporation or its ultimate controlling Affiliate immediately prior to such merger, consolidation, reorganization or other business combination represent 50% or less of the voting power of either of the Buyers or the Surviving Corporation after such merger, consolidation, reorganization or other business combination and (iv) any transaction or series of transactions in which assets comprising more than 50% of the total assets of either of the

Buyers or Surviving Corporation and its Subsidiaries (in value) are sold to another Person.

“Change Request” has the meaning set forth in Section 3.2(b) hereto.

“Conforming Change” has the meaning set forth in Section 3.2(a) hereto.

“Contributing Companies” has the meaning set forth in the Distribution Agreement.

“Cutover” has the meaning set forth in Section 4.1(b) hereto.

“Cutover Plan” has the meaning set forth in Section 4.1(e) hereto.

“Cutover Planning Committee” has the meaning set forth in Section 4.1(a) hereto.

“Direct Claim” has the meaning set forth in Section 16.4(b).

“Distribution Agreement” has the meaning set forth in the Recitals hereto.

“FairPoint” has the meaning set forth in the preamble hereto.

“FairPoint Cutover Preparation Tasks” has the meaning set forth in Section 4.1(f).

“Final Cutover Date” has the meaning set forth in Section 13.6 hereto.

“Fixed Monthly Service Fee” has the meaning set forth in Section 2.1(a) hereto.

“Force Majeure Event” has the meaning set forth in Section 22.14 hereto.

“Indemnitee” means a Supplier Indemnitee or a FairPoint Indemnitee, as the case may be.

“Indemnitor” means any person or entity required to provide indemnification under this Agreement.

“Initial Payment” has the meaning set forth in Section 6.2 hereto.

“Holdover Period” has the meaning set forth in Section 14.2.

“Intellectual Property” has the meaning set forth in the Intellectual Property Agreement which is one of the Transaction Agreements as defined in the Merger Agreement.

“Losses” has the meaning set forth in the Merger Agreement.

“Merger” has the meaning set forth in the Recitals hereto.

“Merger Agreement” has the meaning set forth in the Recitals hereto.

“Notice Effective Date” has the meaning set forth in Sections 13.3, 13.4 and 13.5 hereto.

“Preliminary Cutover Plan” means the written document prepared by Supplier which includes, without limitation, a plan which identifies specific business and systems deliverables to be delivered by Supplier to Buyer in stages. The plan includes, without limitation, the extraction of data contained in certain electronic databases of the Spinco Business in two test extracts and one final extract and the transfer of such data to the Surviving Corporation or its designee in an existing format defined by Supplier. The plan shall also include a description of the activities that must be performed by Supplier and Buyers to transfer customer service responsibility for long distance customers of the Spinco Business to Buyers. Additionally, the plan shall include a description of the activities that must be undertaken by Supplier and Buyers to transfer customer service responsibility for the dial-up, DSL and fiber to the premises (aka Fios) data and other ISP customers of Spinco Business to Buyers. Further, the plan shall also include a description of the activities that must be undertaken by Supplier and Buyers should Schedule A Services and Schedule D Services be terminated prior to the termination of Schedule C Services and a description of the activities that must be undertaken by Supplier and Buyers if Schedule C Services were to be terminated prior to the termination of Schedule A Services and Schedule D Services and a description of the activities that

must be undertaken by Supplier and Buyers if Schedule C Services were to be terminated prior to the termination of Schedule A Services and Schedule D Services.

“Preliminary FairPoint Cutover Preparation Tasks” means a written document prepared by FairPoint which identifies those activities that FairPoint must undertake and complete to be prepared for cutover.

“Schedule A Fee” has the meaning set forth in Section 2.1(b) hereto.

“Schedule A Services” has the meaning set forth in Section 2.1 hereto.

“Schedule B Fee” has the meaning set forth in Section 2.4 hereto.

“Schedule B Services” has the meaning set forth in Section 2.4 hereto.

“Schedule C Fees” has the meaning set forth in Section 2.1(c) hereto.

“Schedule C Services” has the meaning set forth in Section 2.1 hereto.

“Schedule D Fees” has the meaning set forth in Section 2.1(d) hereto.

“Schedule D Services” has the meaning set forth in Section 2.1 hereto.

“Senior Executive Officers” means, in the case of FairPoint, Peter Nixon, and in the case of Supplier, Stephen E. Smith.

“Service Modification” has the meaning set forth in Section 3.2(b) hereto.

“Settlement Requirements” has the meaning set forth in Section 16.4(a).

“Single Point of Contact” has the meaning set forth in Section 11.1 hereto.

“Special Services” has the meaning set forth in Section 2.3 hereto.

“Special Services Fee” has the meaning set forth in Section 2.3 hereto.

“Spinco Business” has the meaning set forth in the Distribution Agreement.

“Supplier” has the meaning set forth in the preamble hereto.

“Supplier License Fees” has the meaning set forth in Section 2.2 hereto.

“Supplier Cutover Planning Services” has the meaning set forth in Section 4.1(b) hereto.

“Supplier Indemnitees” has the meaning set forth in Section 16.1 hereto.

“Surviving Corporation” has the meaning set forth in the preamble hereto.

“Team Leader” has the meaning set forth in Section 4.1(a) hereto.

“Termination Schedule” has the meaning set forth in Section 4.1(a) hereto.

“Tax” has the meaning set forth in the Merger Agreement.

“Third Party Claim” has the meaning set forth in Section 16.4(a).

“Third-Party Contractors” has the meaning set forth in Section 10.1 hereto.

“Third-Party Intellectual Property” has the meaning set forth in the Merger Agreement.

“Third-Party Vendor Costs” has the meaning set forth in Section 2.2 hereto.

“Third-Party Vendors” has the meaning set forth in Section 2.2 hereto.

“Transition Service” has the meaning set forth in Section 2.1 hereto.

“Unit-Based Service Fee” has the meaning set forth in Section 2.1(d) hereto

ARTICLE II

TRANSITION SERVICES

2.1 Transition Services and Fees.

(a) Following the Closing, and subject to the terms and conditions hereof, Supplier shall arrange for, procure, aggregate and otherwise cause its Affiliates and their employees to provide to the Buyers for use in the Spinco Business during the term hereof the services listed on Schedule A (collectively “Schedule A Services” and each service a “Schedule A Service”), the services listed on Schedule C (collectively, the Schedule C Services” and each service, a “Schedule C Service”) and the services listed on Schedule D (collectively the “Schedule D Services” and each service a “Schedule D Service”) the Schedule A Services, Schedule C Services and the Schedule D Services (collectively, the “Transition Services” and each service, a “Transition Service”). Each of Schedule A, Schedule C and Schedule D includes, for each Transition Service, (i) a description of the service (or group of related services) to be performed and (ii) significant performance requirements of Supplier or its Affiliates and Buyers and other special terms and conditions relating directly to the services to be performed.

(b) The Schedule A Services shall be provided for the following monthly fee (each a “Schedule A Fee”):

For the first eight months after the closing Date:	\$14,200,000 per month
For each month beginning in the ninth month after closing	\$500,000 less than for the prior month
For the thirteenth month	\$14,700,000 per month
For each month following the thirteenth month until termination of the Schedule A	\$500,000 more than the amount paid with respect to the prior month, <u>provided</u> that no increase shall occur after 60 calendar days

Services	after the Notice Effective Date with respect to early termination pursuant to Section 13.3, 13.4 or 13.5 hereof.
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For example, in the tenth month, the Schedule A Fee shall be \$13,200,000 and in the fourteenth month the Schedule A Fee shall be \$15,200,000. The Schedule A Fee is exclusive of any Taxes, which shall be allocated as provided in Article XVII.

(c) The Schedule C Services shall be provided for the fees described in Schedule C (the “Schedule C Fees”), stated as a monthly fixed payment (a “Fixed Monthly Service Fee”). The Schedule C Fees are exclusive of any Taxes, which shall be allocated as provided in Article XVII.

(d) The Schedule D Services shall be provided for the fees described in Schedule D (the “Schedule D Fees”), stated as a monthly fixed payment (a “Fixed Monthly Service Fee”) or a “Unit Based Service Fee” as applicable. The Schedule D Fees are exclusive of any Taxes, which shall be allocated as provided in Article XVII.

2.2 Third-Party Vendor Costs. In order to provide the Transition Services, the parties acknowledge and agree that it may be necessary for Supplier to pay third-party suppliers or vendors (“Third-Party Vendors”) incremental or other costs and expenses or new costs or expenses incidental to Supplier’s providing transition support for the Buyers, including without limitation, product and service fees, programming fees, Taxes, maintenance fees, initiation and set-up costs and license fees and costs (including attorney’s fees) associated with any obtaining licenses, approvals, waivers or rights relating to Third-Party Intellectual Property as described in Article V. Collectively such incremental costs and expenses payable to third parties described in the preceding sentence are “Third-Party Vendor Costs”. Third-Party Vendor Costs associated with Schedule A Services shall be paid by Supplier. Third-Party Vendor Costs associated with Schedule C and Schedule D Services are in addition to the Schedule C and Schedule D Fees described in Section 2.1(c) and 2.1(d) and are payable by Buyers or FairPoint to Supplier pursuant to Article VI.

2.3 Special Services and Fees. Buyers or FairPoint may request that Supplier or its Affiliates participate in meetings, telephone calls, or other consultations for Buyers or FairPoint to perform their respective requirements as described in Schedule A,

Schedule C or Schedule D (“Special Services”). Supplier shall consider all requests for Special Services in good faith, and shall provide such Special Services, where in Supplier’s judgment Supplier or its Affiliates can provide such Special Services without materially adversely disproportionately or unreasonably impacting Supplier’s or its Affiliates’ then current operations and planned future work loads and without violating any applicable law, regulation or agreement; and further provided that Supplier and its Affiliates shall have no obligation to share Verizon Proprietary Business Information or provide any training to FairPoint or its representatives or agents. After the first 500 hours of Special Services which shall be provided by Supplier to FairPoint without cost and related to planning for the receipt of the Transition Services, FairPoint shall pay Supplier for Special Services at the rate of \$125 per hour (the “Special Service Fee”). FairPoint shall also reimburse Supplier for all reasonable pre-approved out-of-pocket travel-related costs and expenses in connection with providing Special Services hereunder.

2.4 Schedule B Fee. Prior to the Closing, Supplier and its Affiliates shall provide the services listed in Schedule B (the “Schedule B Services”) for the fee described on Schedule B (the “Schedule B Fee”), which fee is exclusive of Taxes. FairPoint shall pay Supplier the Schedule B Fee in the amount and at the time specified in Schedule B.

2.5 Service Administration. Supplier shall administer this Agreement with respect to the delivery of Transition Services. As more fully described in Article XI and subject to specific arrangements set forth in Schedule A, Schedule C and Schedule D, Supplier shall coordinate all communications, questions and problem resolution with respect to all Transition Services.

2.6 Supplier to Pay Its Affiliates and Vendors. Without limiting the obligation of the Buyers under Article VI, Supplier shall be responsible to pay its Affiliates for any Transition Services or Special Services provided and pay Third-Party Vendors for Third-Party Vendor Costs.

2.7 Supplier Cutover Planning Services. Supplier shall provide the Supplier Cutover Planning Services described in Article IV at no additional cost.

2.8 Performance by Buyers and FairPoint. Subject to Section 14.2, the Buyers and FairPoint shall perform in a timely fashion those tasks, and provide the personnel, facilities and accurate information, as are expressly set forth in the Schedules hereto. In addition, the Buyers and FairPoint agree to use commercially-reasonable efforts to

cooperate with Supplier and its Affiliates, and to perform, in a timely fashion, those additional commercially-reasonable tasks directly related to the performance of the Transition Services which Supplier may reasonably request. FairPoint's and Buyers' failure to cooperate with Supplier in the manner requested shall not relieve Supplier of its obligations hereunder, except and to the extent that such failure would preclude or materially interfere with performance by Supplier of a particular component of the Transition Services.

2.9 Services Not to Be Withheld. Subject to Supplier's rights under Article XIV and provided none of Buyers or FairPoint is in default of its obligation to pay fees or has refused to pay fees hereunder in bad faith, or has had a Change of Control, Supplier shall not intentionally withhold the provision of any or all of the Schedule A Services, or substantially all of the Schedule C Services or Schedule D Services for any reason during the term of this Agreement. If Supplier breaches or threatens to breach the provisions of this Section, Supplier agrees that FairPoint and Buyers will be irreparably harmed, and, without any additional findings of irreparable injury or harm or other considerations of public policy, FairPoint and/or Buyers shall be entitled to apply to a court of competent jurisdiction for and, provided FairPoint and/or Buyers follow the appropriate procedural requirements (including notice and an affidavit that none of Buyers or FairPoint has failed to make all undisputed payments or is in material breach), Supplier shall not oppose the granting of an injunction compelling specific performance by the Supplier of its obligations under this Agreement without the necessity of posting any bond or other security. Supplier further agrees not to oppose any such application for injunctive relief.

ARTICLE III

SCOPE OF SERVICES; CHANGES

3.1 General Scope. Each Transition Service described on Schedule A, Schedule C and Schedule D is limited to such functionality as was included in the same service which was provided to Verizon New England Inc. or any of the Contributing Companies, as applicable, on the date immediately prior to the Closing Date, unless the service descriptions on the Schedules hereto specifically indicate otherwise. Unless otherwise specifically stated in the Schedules hereto, Transition Services are provided only in respect of the Spinco Business as conducted (or substantially as conducted) on the Closing Date by Buyers or their Affiliates as successors to one or more of the Contributing Companies, as defined in the Distribution Agreement, and such services are not provided in respect of, or in support of, or in combination with, any other business operation or interests of Buyers, Surviving Corporation or their Affiliates. Except as specifically described in the Schedules hereto or this Agreement, neither Supplier nor its

Affiliates shall have any obligation to provide any additional, modified, general or customized services.

3.2 Changes in Scope.

(a) The parties acknowledge and agree that Supplier and its Affiliates shall provide the Transition Services utilizing systems, databases, reports, formats and processes used to support Verizon New England Inc. (and the Contributing Companies as to the respective service they received) immediately prior to the Closing Date, and except as otherwise specifically described herein or in the Schedules hereto, Supplier and its Affiliates are not obligated to make any modification or customization of any such systems, databases, reports, formats or processes. Supplier and its Affiliates will adhere to the policies, practices and methodologies used to support Verizon New England Inc. and the Contributing Companies immediately prior to the Closing Date. During the term of this Agreement, Supplier may at any time modify the Transition Services, as necessary or desirable, to allow for continued or conforming use of the then-existing systems and databases and to allow for continued or conforming adherence to the then-existing policies, practices and methodologies, which Supplier or its Affiliates will use to provide similar services to Verizon New England Inc. or the Contributing Companies after the Closing (each, a “Conforming Change”). Provided that the Conforming Change complies with applicable law, neither Buyers nor Surviving Corporation shall be responsible for any additional costs in connection with such Conforming Change, and Supplier shall reimburse Buyers for all of Buyers’ reasonable out-of-pocket costs in connection with the implementation of such Conforming Change. Prior to the implementation of a Conforming Change, Supplier will provide the Buyers with written notice of such change contemporaneously with the notice provided to Verizon New England Inc. or the Contributing Companies, as applicable.

(b) In addition to Conforming Changes, during the term, the Buyers or FairPoint may request that Supplier agree to modify any of the Transition Services to comply with then-existing law or requirements of a Governmental Authority (a “Service Modification”). Buyers or FairPoint shall deliver to Supplier’s Single Point of Contact (as defined in Article XI) a written description of the proposed change (each, a “Change Request”).

(c) Supplier shall provide all proposed Service Modifications. Supplier shall make commercially reasonable efforts to complete and implement Service Modifications at the time or on the schedule required by law or requirements of the Governmental Authority, taking into account Supplier’s pre-existing work load,

service obligations and requirements of law in respect of its Affiliates. The Supplier's time expended to implement a Service Modification (other than a Service Modification required to be implemented by applicable law or any governmental order generally applicable to all telecommunications operators as in effect prior to the Closing Date but not any Service Modification which is part of any order of a Governmental Authority issued in connection with the Merger) shall be billed to Buyers as Special Services. The Buyers shall reimburse Supplier for its costs and out-of-pocket expenses associated with implementation and delivery of any post-Closing Service Modification (other than a Service Modification required to be implemented by applicable law or any governmental order generally applicable to all telecommunications operators as in effect prior to the Closing Date but not any Service Modification which is part of any order of a Governmental Authority issued in connection with the Merger). FairPoint shall reimburse Supplier for its cost and out-of-pocket expenses associated with implementation and delivery of any pre-Closing Service Modification (except as provided above).

(d) If a Conforming Change occurs or a Change Request is approved in accordance with this Article III, the definition of Transition Services and the Schedules hereto will be deemed amended to reflect the implementation of the Conforming Change or Service Modification as well as any other terms and conditions agreed upon by the parties in writing.

ARTICLE IV

CUTOVER REPORTS

4.1 Cutover Plan.

(a) As of the date hereof, Supplier and FairPoint shall establish a planning committee (the "Cutover Planning Committee") consisting of two representatives of both Supplier and FairPoint (or their Affiliates), to discuss and plan the delivery by Supplier to Buyer of specific business and system deliverables, including without limitation the extraction of data contained in certain electronic databases of the Supplier no later than 15 months after the Closing Date. Each of FairPoint, on the one hand, and the Supplier, on the other hand, shall designate a member of the Cutover Planning Committee as team leader ("Team Leader") who shall have the primary responsibility and accountability for making team assignments for his/her party, coordinating communications between party teams, and assessing and reporting progress planning and implementing the Cutover Plan as described below. Each Party will devote adequate planning resources to their portion of the Cutover Planning

Committee to allow for timely planning consistent with timelines established in the Cutover Plan, the Deliverable Schedule and FairPoint Cutover Preparation Tasks. The Parties expect to invite other employees or contractors to participate in specialized areas related to the Cutover Plan based on their areas of expertise and responsibility as it relates to the operation of the Spinco Business. The activities of the Cutover Planning Committee shall be conducted consistent with all applicable requirements of law, regulation and contracts, including antitrust and telecommunications laws.

(b) Within 30 calendar days following the date hereof, the Cutover Planning Committee shall hold its initial meeting to commence planning and preparation for the Buyers to cease using all Transition Services and thereafter to operate the Spinco Business using FairPoint's and/or Surviving Corporation's own systems and services or those of other third parties (the "Cutover"). The services provided by the Supplier in connection with planning the Cutover are "Supplier Cutover Planning Services".

(c) Within 90 calendar days following the date hereof, Supplier shall deliver to FairPoint Supplier's preliminary draft of a cutover plan (the "Preliminary Cutover Plan") The Preliminary Cutover Plan shall include, among other provisions, a plan for activities and tasks that will be completed prior to and immediately following the Cutover Date, and those matters relating to ISP cutover described on Schedule E hereto.

(d) The Cutover Planning Committee shall review the Preliminary Cutover Plan. Within 30 calendar days following receipt, FairPoint may make suggestions for modification and amendment to the Preliminary Cutover Plan. Supplier shall review all such suggestions in good faith and consider, among other factors, their commercial reasonableness, technical feasibility, the anticipated implementation period, available Supplier and Affiliate resources, and existing Supplier and Affiliate obligations and activities. Within 30 calendar days following receipt of the FairPoint suggestions for modification, Supplier shall accept or reject any or all such suggestions in its reasonable discretion and resubmit to FairPoint the Preliminary Cutover Plan. In addition, Supplier will provide a detailed deliverable schedule based on a target cutover date. This schedule, which shall become part of the Cutover Plan, shall include projected time lines for delivery of Supplier deliverables which are sufficient to allow Buyers' testing where applicable, and the final deliverable dates in respect of all portions of the Spinco Business. The final documents delivered to FairPoint by Supplier after good faith consideration of FairPoint modification suggestions shall constitute the "Cutover Plan". Under no circumstances may the Cutover Plan contradict the express terms of this Agreement, unless unanimously agreed to by the Cutover Planning Committee.

(e) Within 90 calendar days following the date hereof, FairPoint shall deliver to Supplier a preliminary description of its proposed cutover tasks (the “Preliminary FairPoint Cutover Preparation Tasks”). The Preliminary FairPoint Cutover Preparation Tasks shall include, among other provisions, a suggested cutover date using a target cutover of approximately 15 months from the date hereof, a plan for activities and tasks related to pre-cutover acceptance, testing and processing of Supplier’s data extracts, and the plan to establish FairPoint systems and processes in order to allow Buyers to function independent of Supplier and its Affiliates. [The Preliminary FairPoint Cutover Preparation Tasks will provide for post-exit regular data feeds to the Supplier such that the Supplier may meet its Schedule A Service obligations related to DSL service with the understanding that such data feeds are provided at no cost to Supplier.]

(f) The Cutover Planning Committee shall review the Preliminary FairPoint Cutover Preparation Tasks. Within 30 days following receipt, Supplier shall review and may make suggestions in its reasonable discretion for modification and amendment to the Preliminary FairPoint Cutover Preparation Tasks. Within 30 days after receipt of Supplier’s suggestions for modification and suggested cutover date, FairPoint shall accept any or all such suggestions and resubmit to Supplier the Preliminary FairPoint Cutover Preparation Tasks. The final document delivered to Supplier after incorporation of Supplier modification suggestions shall constitute the “FairPoint Cutover Preparation Tasks”.

(g) In addition to the scheduled reviews and meetings described in the Section 4.1, after delivery of the Cutover Plan, the Cutover Planning Committee and/or Team Leaders shall have additional meetings (telephonically or otherwise) not more frequently than weekly to consider the status of the various plans and consider any mutually-agreed additional plans or schedules.

ARTICLE V

THIRD-PARTY INTELLECTUAL PROPERTY

5.1 Intellectual Property. Buyers understand that certain rights and licenses to use Third-Party Intellectual Property may be required to provide Transition Services. Within 60 days after the date of this Agreement, Supplier will commence commercially-reasonable efforts to identify licensors of Third-Party Intellectual Property and determine whether consents or waivers are necessary to be obtained from such licensors in order to provide Transition Services.

5.2 Obtaining Waivers or Licenses.

(a) Subject to the last sentence of Section 6.1, within 90 days after the date of the Agreement, Supplier or its Affiliates shall commence commercially-reasonable efforts to obtain, at Supplier's sole cost and expense, any necessary rights, waivers or licenses to use any and all Third-Party Intellectual Property necessary to provide Schedule A Services and Schedule B Services to the Buyers. Subject to any contrary provision of Schedule C or Schedule D, Supplier shall make similar efforts to obtain any necessary rights, waivers or licenses to use any and all Third-Party Intellectual Property necessary to provide Schedule C Services and Schedule D Services at Buyers' sole cost and expense.

(b) To the extent licensors of Third-Party Intellectual Property demand payment of license or other fees for the right to use Third-Party Intellectual Property to deliver Schedule C Services or Schedule D Services, Supplier shall use commercially-reasonable efforts to communicate such demands to FairPoint. FairPoint may direct Supplier to accept or reject such licensor demands and may authorize Supplier in making counteroffers and otherwise direct fee negotiations for a period not to exceed 30 days after receipt of licensor demands.

(c) If no agreement with licensors of Third-Party Intellectual Property in connection with Schedule C Services is reached within 30 days after such licensor's first demand, Supplier will resume its sole and exclusive efforts to obtain necessary licenses and rights on commercially-reasonable terms. Supplier may enter into agreements to pay fees in its sole discretion. All negotiated license fees in respect of Schedule C Services and Schedule D Services shall be paid by Supplier as Third-Party Vendor Costs. FairPoint shall reimburse Supplier for all such fees paid as described in Article VI.

(d) FairPoint agrees to reimburse Supplier for all of its costs and expenses incurred in seeking licenses, waivers or rights from all licensors of Third-Party Intellectual Property in connection with Schedule C Services and Schedule D Services including, without limitation, attorneys' fees which are Third-Party Vendor Costs.

(e) FairPoint agrees to cooperate as reasonably necessary to assist Supplier with obtaining such licenses. From time to time, Supplier may provide FairPoint with a list of Third Party Intellectual Property for which it is seeking waivers or licenses as described in subsection (a) above. Within 30 days after receipt of any such list FairPoint shall advise Supplier in writing of any such Third Party Intellectual Property,

that FairPoint has a license (or will have immediately following Closing) such that it will not be necessary for Supplier to obtain licenses or waivers in respect of the same.

(f) Supplier's obligation to provide each Transition Service shall be contingent upon receipt of all necessary third-party approvals, licenses and rights. Failure to receive such approvals, licenses or rights on a timely basis, after Supplier uses its commercially-reasonable efforts, shall be cause for termination of this agreement with respect to any and all Transition Services affected by the failure to receive such approvals, licenses or rights.

5.3 Alternatives.

(a) If after commercially-reasonable efforts to obtain a license have been undertaken as described in Section 5.2 above, any Third-Party Intellectual Property in connection with Schedule C Services or Schedule D Services is not available to Supplier for any reason, Supplier shall suggest specific product alternatives or alternative providers, if known, and if available, provide such information to FairPoint within 120 calendar days of the date Supplier is finally advised that such Third-Party Intellectual Property is not available. Supplier shall obtain a license for the most commercially-reasonable alternative, at FairPoint's sole cost and expense in connection with Schedule C Services or Schedule D Services. If Supplier does not suggest an alternative in respect of Schedule C Services or Schedule D Services as applicable, then FairPoint may suggest an appropriate commercially-available alternative for Supplier's approval, which approval shall not be unreasonably withheld. Supplier shall obtain a license to the alternative suggested by FairPoint, at FairPoint's sole cost and expense in connection with Schedule C Services and Schedule D Services as Third-Party Vendor Costs. If no alternatives are available or approved, then the affected Transition Service shall not be provided.

(b) If Third-Party Intellectual Property is only available to be licensed directly by Buyers or FairPoint, Supplier shall so notify FairPoint and FairPoint shall obtain for its own account or for Buyers' account and at FairPoint's cost and expense (not a Third-Party Vendor Cost) in connection with Schedule C Services and Schedule D Services and at Supplier's cost and expense in connection with Schedule A and B Services, such Third-Party Intellectual Property and the right for Supplier to use such Third-Party Software in the provision of Transition Services for a term not to exceed 16 months after the Closing Date.

(c) FairPoint Intellectual Property. “FairPoint Intellectual Property” is that Intellectual Property created by FairPoint or developed by a third party on behalf of or at the direction of FairPoint, in which FairPoint has all right, title and interest and which is utilized in the performance of the Transition Services. FairPoint grants Supplier a limited, non-exclusive, revocable, worldwide, paid up license to use FairPoint Intellectual Property solely for the purpose of providing the Transition Services.

ARTICLE VI

PAYMENT FOR TRANSITION SERVICES

6.1 Payment Upon Termination. In the event that the Merger Agreement is terminated prior to the Closing in circumstances described in Section 9.3(b) of the Merger Agreement, Supplier will invoice FairPoint for (i) any Special Services Fees, including all pre-approved travel costs in connection with the performance of such Special Services, which for greater certainty, does not include any fee for the 500 hours of Special Services described in Section 2.3 above, or any Special Service Fees which have been paid previously (ii) the number of dollars which is equal to the number of hours Supplier, its Affiliates or contractors have labored to provide Schedule B Services multiplied by the Special Service Fee in an amount not to exceed \$34 million; (iii) the amount of Qualified Transition Expenses that exceeds \$20 million; and (iv) (without duplication) any and all Taxes arising from or relating to such payments. FairPoint shall pay such invoice, less any amounts disputed in writing, within 15 calendar days of receipt. Notwithstanding anything herein to the contrary, Supplier shall be under no obligation to incur any fees other than Special Service Fees prior to the date when FairPoint’s stockholders have approved the merger contemplated by the Merger Agreement.

6.2 Closing Date Service Payments. On the Closing Date, the Buyers shall pay Supplier in advance the sum of: (i) Fourteen Million Two Hundred Thousand Dollars (\$14,200,000) for Schedule A Services, (ii) the Schedule C Fees for one month, (iii) the Schedule D Fixed Monthly Service Fees for one month (iv) Third-Party Vendor Costs, if any covering the Schedule C Services and Schedule D Services to be provided during the first month after Closing plus, (v) any Taxes arising from or relating to such payments. The payments described in Sections (i) through (v) collectively the “Initial Payment”.

6.3 Subsequent Service Invoices and Payment.

(a) Prior to the beginning of the second month after Closing the Supplier will invoice in advance for each month of the term thereafter for (i) the Schedule A Fee at the rate specified in Section 2.1(b), (ii) the Schedule C Fixed Monthly Service Fee, (iii) the Schedule D Fixed Monthly Service Fee (iv) Third-Party Vendor Costs, if any, (without duplicating any Third-Party Vendor Fee previously paid in advance pursuant to Section 6.2(iii) above) covering Schedule C Services and Schedule D Services to be provided in the immediately-following month, and (iv) any Taxes arising from or relating to such payments. The Buyers shall pay such invoice, less any amounts disputed in writing, within 15 calendar days of receipt.

(b) Within 30 calendar days after the end of the first month after Closing and each month of the term thereafter and within 30 calendar days after the last day of the term hereof, Supplier shall invoice the Buyers in arrears for (i) the Schedule D Unit-Based Service Fees and Special Service Fees covering all Transition Services provided in the immediately preceding calendar month, or a pro-rata portion of such fees for any partial month and (ii) any Taxes arising from or relating to such payments. The Buyers shall pay each such invoice, less any amounts disputed in writing, within 15 calendar days of receipt.

(c) If the Buyers or FairPoint in good faith dispute owing any amount stated on an invoice, they shall notify Supplier in writing stating the amount of the dispute and giving the reasons for the dispute. The dispute shall be resolved pursuant to the provisions of Article XIX below.

(d) All payments by the Buyers or FairPoint under this Agreement shall be in U.S. dollars by wire transfer of immediately available funds to Supplier's designated account.

6.4 Invoices. All invoices for amounts due under this Agreement on which Taxes would be due shall indicate the jurisdiction of taxation for such Tax. In addition, with each invoice, Supplier shall provide Buyers or FairPoint with a reasonably-detailed breakdown of the Third-Party Vendor Costs and other charges included on such invoice; provided that Supplier received such a breakdown from such third parties.

6.5 Late Payment. All amounts due Supplier under this Agreement that are not paid within 30 calendar days of their due date (other than any amount which is properly disputed) shall bear interest at the Applicable Rate from the due date until paid.

6.6 Surviving Obligations. FairPoint upon early termination of this Agreement pursuant to Section 14.1(a), or Buyers upon early termination of this Agreement pursuant to Sections 14.1(b), or (c), as applicable shall be responsible for paying amounts due or owing to Supplier up to the effective date of such termination. To the extent FairPoint or the Buyers have made any advance payments of Fixed Monthly Service Fees or Third-Party Vendor Costs at the time of early termination, and Supplier has been credited for or is not obligated to pay such Third-Party Vendor Costs, Supplier will issue a credit to the Buyers or FairPoint for the unused portion of any such payments. Buyers' and FairPoint's obligations to reimburse Supplier for any Third- Party Vendor Costs paid by Supplier shall survive termination of any or all Transition Services or this Agreement.

ARTICLE VII

SERVICE LEVEL COMMITMENTS

7.1 General. Supplier and its Affiliates shall devote such time, effort and resources to the performance of Transition Services specified in Schedule A, Schedule C and Schedule D in a manner that generally meets any applicable service levels and other requirements set forth in Schedule A, Schedule C and Schedule D; provided, however, that the parties agree that the obligations of Supplier and its affiliates are to tender performance and that its ability to perform will be, or may be, adversely affected by the Buyers' or FairPoint's failure to perform its obligations described in Section 2.8. Supplier further agrees that it and its Affiliates shall perform the Transition Services (i) in compliance with applicable law and any governmental or regulatory requirements and (ii) with the same overall standards of quality, timeliness and efficiency as such services are then being provided by Supplier's Affiliates to Verizon New England Inc. taking into account reasonable fluctuations that occur from month to month.

7.2 Supplier Cooperation. Supplier shall, and shall cause its Affiliates to, use commercially reasonable efforts to cooperate with FairPoint and its Affiliates, and to perform, in a timely fashion, its obligations prior to the Closing Date and after the Closing Date; provided, that such efforts shall not require Supplier and its Affiliates to (x) incur additional expenses, obligations or liabilities other than as expressly required herein, (y) disproportionately or unreasonably interfere, either individually or in the aggregate, with the conduct of the Verizon Business or (z) be inconsistent with the express terms of this Agreement or any Schedule hereto.

7.3 Correction. In the event Supplier fails to deliver the Transition Services in any material respect in accordance with this Agreement, Supplier shall, at its expense,

resolve any such discrepancies as promptly as reasonably practicable, given the nature and severity of the matter at issue. Supplier shall keep FairPoint and Buyers informed regarding the status of its actions to resolve such discrepancies and the resolution thereof.

ARTICLE VIII

PERSONNEL AND SYSTEMS PROVIDING TRANSITION SERVICES

8.1 Personnel. Supplier and its Affiliates shall have the sole and exclusive responsibility for selecting and managing their personnel who provide Transition Services and shall supervise them in connection with the performance of Transition Services. Such personnel shall be qualified, in the reasonable opinion of Supplier, for the tasks to which they are assigned. Supplier or its Affiliates shall pay and be responsible for all wages, salary or other compensation, taxes, insurance and, except as expressly specified herein or in any Schedule or separate agreement, other costs and expenses with respect to such personnel.

8.2 Intellectual Property, Equipment and Systems. Supplier and its Affiliates shall have the sole and exclusive responsibility and discretion to select and provide the Intellectual Property, equipment and systems necessary to deliver the Transition Services, provided, however, that the foregoing shall not affect the Supplier's obligation to comply with any specified service level and the other terms and conditions of this Agreement.

ARTICLE IX

INTENTIONALLY OMITTED

ARTICLE X

EMPLOYMENT OF CONTRACTORS OR THIRD PARTIES

10.1 Subcontractors. To the extent that Supplier or any of its Affiliates determines that it is desirable for any reason in their sole discretion, Supplier may contract with reasonably-qualified third parties to provide any or all Transition Services to the Buyers for the remainder of the term and (ii) further, if in the judgment of counsel for Supplier, any requirement of law precludes Supplier from performing any Transition Service or performing any of its obligations of this Agreement, Supplier may assign the

performance of those obligations to a reasonably-qualified third party selected by Supplier in its reasonable discretion.

10.2 Subcontractor Payments. Supplier shall remain fully responsible for its performance of this Agreement in accordance with its terms, including any obligations it performs through third parties, and Supplier shall be solely responsible for all payments due to third parties. Notwithstanding anything to the contrary, amounts due from Supplier and its Affiliates to their subcontractors shall not be included in the Third-Party Vendor Costs to the extent such amounts are for services that are duplicative of services for which Supplier is charging Buyers or FairPoint any fee.

ARTICLE XI

SINGLE POINT OF CONTACT; DISPUTE RESOLUTION

11.1 Single Point of Contact. FairPoint and Supplier shall each appoint a person who shall be available to receive communications and coordinate responses to questions and concerns on behalf of their respective parties and their Affiliates with respect to this Agreement or the Transition Services, including billing and operational matters (“Single Point of Contact”). Except in respect of the activities of the Cutover Planning Committee or the Team Leaders described in Section 4.1, or unless otherwise authorized in writing or set forth in the policies and procedures of Supplier or its Affiliates or as specified on any Schedule hereto, FairPoint and Supplier agree that their representatives and employees shall not contact any representatives of the other party, other than the designated Single Point of Contact. Notwithstanding the provisions of this Article XI, in the event of any network or service outage or other similar emergency relating to any Transition Service, a party shall attempt to contact the Single Point of Contact of the other party, but may also directly contact that person most able to resolve the emergency expeditiously.

11.2 Dispute Resolution. The Single Points of Contact shall meet as often as reasonably necessary in an effort to resolve disputes without the necessity of any formal proceeding relating thereto. If the Single Points of Contact do not resolve a dispute within 30 calendar days, then either party may escalate the dispute to its Senior Executive Officer. If such dispute cannot be resolved by the Senior Executive Officers of the parties within 10 days after initiation of discussions, either party may initiate formal proceedings as permitted by this Agreement. The foregoing requirements and limitations shall not, however, prevent a party from: (i) seeking injunctive relief in circumstances permitted by this Agreement, or (ii) terminating this Agreement (in whole or in part) in accordance with Article XIV.

ARTICLE XII

POLICIES, PROCEDURES AND TRAINING

12.1 Policies and Procedures. Supplier and its Affiliates agree to follow and abide by all commercially-reasonable written policies and procedures provided by FairPoint or Buyers from time to time in connection with the provision of Transition Services with respect to access to FairPoint's or its Affiliates' systems or premises, to the extent that such policies and procedures do not conflict with the requirements of this Agreement or any Schedule hereto. FairPoint and its Affiliates agree to follow and abide by all commercially-reasonable written policies and procedures provided by Supplier from time to time in connection with the provision of Transition Services with respect to (i) provision of data by FairPoint, Buyers or their Affiliates to Supplier or its Affiliates, (ii) Buyers' access to or use of any Supplier or Affiliate computer support systems and (iii) plant work and right-of-access rules as further described in Article XX, all to the extent that such policies and procedures do not conflict with the requirements of any schedule hereto, it being understood that the policies applicable to Verizon New England Inc. as of the Closing Date shall be deemed to be commercially reasonable.

12.2 Training. To the extent that a party deems reasonably necessary, the other party shall make its employees or representatives reasonably available for training with respect to its policies and procedures, at times and locations mutually agreed upon by the parties. The parties may charge a fee for such training consistent with the provisions of Section 2.3 hereof.

12.3 No Warranty. The parties acknowledge and agree that Supplier and its Affiliates are not generally in the business of providing commercial transition services, and accordingly, neither Supplier nor any of its Affiliates makes any representation or warranty that any policies, procedures or training materials shall be complete, accurate or suitable for FairPoint's or the Buyers' purposes, nor shall Supplier be required to revise such policies, procedures or training materials for any reason.

ARTICLE XIII

TERM

13.1 Term. This Agreement shall become effective as of the date first written above and shall expire without notice upon the earlier of: (i) the date that a termination pursuant to Section 14.1 becomes effective, or (ii) the date identified in a Cutover Date

Notice delivered by Supplier pursuant to Section 13.6 hereof, after receipt of a Notice of Readiness for Cutover described in Section 13.2 hereof, which date shall be in the month of January, March, May, July, September or November immediately following the 15-month anniversary of the Closing Date, or (iii) in respect of early termination of the Schedule A Services, Schedule C and Schedule D Services, (terminating at the same time) the date identified in a Cutover Date Notice delivered by Supplier pursuant to Section 13.6 hereof after receipt of a Notice of Readiness for Cutover described in Section 13.3 hereof, which date shall be in the month of January, March, May, July, September or November, or (iv) in respect of early termination of the Schedule A Services and Schedule D Services only (without termination of Schedule C Services), the date identified in a Cutover Notice delivered by Supplier pursuant to Section 13.6 hereof after receipt of a Notice of Readiness for Cutover described in Section 13.4, which date shall be in the month of January, March, May, July, September or November, or (v) in respect of early termination of the Schedule C services only (without termination of Schedule A Services or Schedule D Services) the date identified in a Cutover Notice delivered by Supplier pursuant to Section 13.6 hereof after receipt of a Notice of Readiness for Cutover described in Section 13.5, which date shall be in the month of January, March, May, July, September or November. Supplier and its Affiliates shall commence providing Transition Services described on Schedules A, C and D on the Closing Date of the Merger and, upon receipt of the Initial Payment. Subject to the terms and conditions hereof and of the Cutover Plan shall provide each Transition Service for the remainder of the term hereof.

13.2 Full Term Cutover Notice. Unless this agreement is earlier terminated pursuant to the provisions of Article XIV or pursuant to the provisions of Sections 13.3, 13.4 or 13.5, at least 60 calendar days prior to the 15-month anniversary of the Closing Date, Surviving Corporation shall deliver to Supplier either (i) an irrevocable “Notice of Readiness for Cutover”, which shall include a representation to the effect that Surviving Corporation or Buyers have made arrangements to operate the Spinco Business without any Transition Services from Supplier or have engaged a third party to provide such services, or (ii) an irrevocable “Notice of Intention to Holdover” which shall include a representation to the effect that either the Surviving Corporation and the Buyers have not made arrangements to operate the Spinco Business without any Transition Services from Supplier and have not engaged a third party to provide such services. Surviving Corporation shall also deliver to Supplier a Notice of Readiness for Cutover, at such time as Surviving Corporation is prepared to end a Holdover Period as described in Section 14.2.

13.3 Notice of Readiness for Early Cutover in Respect of Schedule A, Schedule C and Schedule D Services. Surviving Corporation may at any time after the later of the 13 month anniversary of the date hereof and the 1 month anniversary of the Closing Date, deliver to Supplier an irrevocable “Notice of Readiness for Cutover” in

respect of Schedule A, Schedule C and Schedule D Services (to be terminated on the same date), which notice shall include a representation to the effect that Surviving Corporation or Buyers have made arrangements to operate the Spinco Business without any Schedule A, Schedule C and Schedule D Services from Supplier or have engaged a third party to provide such services. The effective date for any such Notice of Readiness for Cutover shall be deemed to be the last calendar day of the month in which such notice is received by Supplier (the “Notice Effective Date”)

13.4 Notice of Readiness for Early Cutover in Respect of Schedule A Services and Schedule D Services Only. Surviving Corporation may at any time after the later of the 13 month anniversary of the date hereof and the 1 month anniversary of the Closing Date, deliver to Supplier an irrevocable “Notice of Readiness for Cutover” in respect of Schedule A Services and Schedule D Services only (it being understood that in such case, Schedule C Services shall continue after termination of Schedule A Services and Schedule D Services), which notice shall include a representation to the effect that Surviving Corporation or Buyers have made arrangements to operate the Spinco Business without any Schedule A Services and Schedule D Services from Supplier or have engaged a third party to provide such services. The effective date for any such Notice of Readiness for Cutover shall be deemed to be the last calendar day of the month in which such notice is received by Supplier (the “Notice Effective Date”)

13.5 Notice of Readiness for Early Cutover in Respect of Schedule C Services Only. Surviving Corporation may at any time after the later of the 13 month anniversary of the date hereof and the 1 month anniversary of the Closing Date, deliver to Supplier an irrevocable “Notice of Readiness for Cutover” in respect of Schedule C Services only (it being understood that in such case, Schedule A Services and Schedule D Services shall continue after termination of Schedule C Services), which notice shall include a representation to the effect that Surviving Corporation or Buyers have made arrangements to operate the Spinco Business without any Schedule C Services from Supplier or have engaged a third party to provide such services. . The effective date for any such Notice of Readiness for Cutover shall be deemed to be the last calendar day of the month in which such notice is received by Supplier (the “Notice Effective Date”)

13.6 Cutover Date Notice. Within 10 calendar days of Supplier’s receipt of a Notice of Readiness for Cutover described in Section 13.2, Supplier shall deliver to Surviving Corporation a “Cutover Date Notice” identifying the specific date for Cutover and termination of all Transition Services. Supplier shall also deliver a Cutover Date Notice to Surviving Corporation in connection with any termination pursuant to the provisions of Section 14.1(b),(c) or 14.2. In respect of any Cutover Date Notice delivered after receipt of a Notice of Readiness for Cutover pursuant to Section 13.3, 13.4 or 13.5 above, the Cutover Date shall be a date which is not earlier than 50 days nor later

than 90 days after the Notice Effective Date if such date is in the month of January, March, May, July, September or November. If the date required by the immediately preceding sentence is not in one of the named months, then Cutover Date shall be within the next calendar month. In determining in its reasonable discretion the specific cutover date to include in a Cutover Date Notice, in addition to other factors, Supplier shall consider Supplier's Affiliates month-end financial data processing and the last regular monthly bill cycle. The date on which the Cutover and termination of all remaining Transition Services to any part of the Spinco Business occurs shall be referred to as the "Final Cutover Date."

ARTICLE XIV

TERMINATION

14.1 Termination of Agreement.

(a) This Agreement shall automatically terminate upon the termination of the Merger Agreement.

(b) Supplier may terminate this Agreement at: (i) for non-payment of any fee or amount due under this Agreement which is not disputed or was disputed in bad faith after providing at least 30 days prior written notice to FairPoint to cure or (ii) after a Change of Control (other than pursuant to the transactions contemplated by the Distribution Agreement or the Merger Agreement). A termination pursuant to this section shall be effective on the date identified in a Cutover Date Notice delivered by Supplier, which date shall be in the month of January, March, May, July, September or November immediately following the expiration of the 30-day cure period or Change of Control described above.

(c) FairPoint may terminate this Agreement for a material breach after providing the Supplier at least 60 days prior written notice and a reasonable opportunity to cure. A termination pursuant to this section shall be effective on the date identified in a Cutover Date Notice delivered by Supplier, which date shall be in the month of January, March, May, July, September or November immediately following the expiration of the 60-day cure period described above.

(d) This Agreement shall terminate automatically upon the Final Cutover Date.

14.2 Post Expiration Continuation of Services. Buyers and FairPoint acknowledge and agree that Buyers must be prepared to perform, or have other third parties perform on their behalf, all of the remaining Transition Services without interruption upon the Cutover. Supplier agrees to reasonably cooperate in such planning and preparation and to reasonably cooperate in the transition of the remaining Transition Services to the Buyers, Surviving Corporation or their designee, including by performing the tasks assigned to it in the Cutover Plan. If at the time for termination, the Buyers have not made arrangements to operate the Spinco Business without any remaining Transition Services from Supplier or have not engaged a third party to provide such services, and after the time for termination, the Buyers continue to receive any of the remaining Transition Services for any reason, then the parties agree that Supplier and its Affiliates shall continue to provide all such Transition Services, until (i) such time as Buyers can transition off all of Transition Services and (ii) the effective date of termination as described hereafter (“Holdover Period”). The Holdover Period shall end and the effective date of termination shall be on the date identified in a Cutover Date Notice delivered by Supplier, which date shall be in the month of January, March, May, July, September or November which is at least 30 calendar days following receipt by Supplier of Buyers’ Notice of Readiness for Cutover.

14.3 Survival. The following provisions will survive any expiration or termination of this Agreement with respect to any or all of the Transition Services: Article II (“Transition Services”), Article V (“Third-Party Intellectual Property”), Article VI (“Payment For Transition Services”), Article IX (“Non-Solicitation of Employees”), Article XV (“Limitation on Liabilities”), Article XVI (“Indemnification”), Article XVIII (“Records; Access”), Article XIX (“Dispute Resolution”), Article XXII (“Miscellaneous”) and this Article XIV (“Termination”).

ARTICLE XV

LIMITATION ON LIABILITIES

15.1 Limitation on Liabilities. Except as otherwise provided in this Article XV, the liability of Supplier and its Affiliates on the one hand, and of FairPoint, Surviving Corporation, the Buyers or their Affiliates on the other hand, arising out of or relating to this Agreement, including without limitation on account of performance or nonperformance of obligations hereunder, regardless of the form of the cause of action, whether in contract, tort (including without limitation gross negligence), statute or otherwise, shall in no event exceed: (i) with respect to Supplier’s liability, the sum of the amounts paid to Supplier during the term contemplated hereby (excluding Schedule C and Schedule D Third-Party Vendor Costs and Taxes) under this Agreement during the term at the time the liability arises under this Agreement and (ii) with respect to Buyers’

liability, FairPoint's or Surviving Corporation's liability, the sum of the amounts payable to Supplier were this Agreement to continue in effect for the entire 15-month term contemplated hereby.

15.2 No Warranties; No Special Damages. SUPPLIER AND ITS AFFILIATES MAKE NO EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE TRANSITION SERVICES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE XV, IN NO EVENT SHALL ANY PARTY OR ANY OF THEIR AFFILIATES BE LIABLE HEREUNDER FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND ARISING FROM THE BREACH OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS OR BUSINESS INTERRUPTION.

15.3 Exceptions to Limitations. Notwithstanding Sections 15.1 and 15.2 above, the caps on the amount of liability and the limitations on type of liability described therein shall not apply to: (i) the willful misconduct of a party, (ii) any violation by Supplier of Section 2.9, (iii) third party indemnity obligations pursuant to Article XVI below, or (iv) any violation of Section 22.15.

ARTICLE XVI

INDEMNIFICATION

16.1 Indemnification by Surviving Corporation. FairPoint and, after the Closing Date, the Surviving Corporation and Buyers shall, jointly and severally, indemnify and hold harmless Supplier and its Affiliates and their respective officers, directors, employees, successors and assigns (collectively, "Supplier Indemnitees") from and against any expense, claim, loss or damage (including court costs and reasonable attorney's fees) ("Losses") suffered or incurred by any of the Supplier Indemnitees in connection with any third-party claims against any of the Supplier Indemnitees arising from or relating to:

(a) all claims for bodily injury to persons or physical damage to tangible personal or real property for which FairPoint (and after the Closing Date Surviving Corporation and Buyers) are legally liable to that third party, except to the extent caused by the negligence or intentional misconduct of Supplier Indemnitees;

(b) all claims arising from a violation of any federal, state, local or foreign law, rule, regulation or order applicable to FairPoint by FairPoint;

(c) all claims for any Tax owed by Surviving Corporation and Buyers under Article XVII (including any Tax that is the subject of an exemption certificate which exemption is determined to have been inapplicable in whole or in part);

16.2 Indemnification by Supplier. Supplier shall indemnify and hold harmless FairPoint and after the Closing Date Surviving Corporation and Buyers and their respective officers, directors, employees, successors and assigns (collectively, "FairPoint Indemnitees") from and against any Losses suffered or incurred by any of the FairPoint Indemnitees in connection with any third-party claims against any of the FairPoint Indemnitees, arising from or relating to:

(a) all claims for bodily injury to persons or physical damage to tangible personal property or real property for which Supplier (and prior to the Closing Date Buyers) are legally liable to that third party, except to the extent caused by the negligence or intentional misconduct of FairPoint Indemnitees;

(b) all claims arising from a violation of any federal, state, local or foreign law, rule, regulation or order applicable to Supplier by Supplier; and

(c) all claims for any Tax owed by Supplier under Article XVII.

16.3 Tax Indemnification. FairPoint and after the Closing Date Buyers shall also jointly and severally indemnify and hold harmless Supplier and its Affiliates from and against any Tax owed to any of them under Article XVII (including any Tax that is the subject of an exemption certificate which exemption is determined to have been inapplicable in whole or in part), plus any costs or expenses (including reasonable attorneys' fees) suffered or incurred by Supplier or any Affiliate in defending itself against a claim for such Taxes.

16.4 Indemnification Procedure- Defense of Claims.

(a) (a) Third Party Claims. If any Indemnitee receives notice of the assertion of any claim or of the commencement of any action or proceeding by any entity that is not either a FairPoint Indemnitee or a Supplier Indemnitee (each, a "Third Party

Claim”) against such Indemnitee, with respect to which an Indemnitor is obligated to provide indemnification under this Agreement, the Indemnitee will give such Indemnitor prompt written notice thereof, but in any event not later than ten calendar days after receipt of notice of such Third Party Claim, provided, however, that the failure of an Indemnitee to notify the Indemnitor within the time period set forth herein shall only relieve the Indemnitor from its obligation to indemnify to the extent that the Indemnitor is materially prejudiced by such failure or delay (whether as a result of the forfeiture of substantive rights or defenses or otherwise). Upon receipt of notification of a Third Party Claim, the Indemnitor shall be entitled, upon written notice to the Indemnitee, to assume the investigation and defense thereof at such Indemnitor’s expense with counsel reasonably satisfactory to the Indemnitee, provided that the Indemnitor shall not have the right to assume the defense of any Third Party Claim in the event such Third Party Claim is primarily for injunctive relief or criminal penalty of the Indemnitee, and in any such case, the reasonable fees and expenses of counsel to the Indemnitee in connection with such Third Party Claim shall be considered “Losses” for purposes of this Agreement. Whether or not the Indemnitor elects to assume the investigation and defense of any Third Party Claim, the Indemnitee shall have the right to employ separate counsel and to participate in the investigation and defense thereof; provided, however, that the Indemnitee shall pay the fees and disbursements of such separate counsel unless (1) the employment of such separate counsel has been specifically authorized in writing by the Indemnitor; (2) the Indemnitor has failed to assume the defense of such Third Party Claim within 20 calendar days after receipt of notice thereof with counsel reasonably satisfactory to such Indemnitee; or (3) the named parties to the proceeding in which such claim, demand, action or cause of action has been asserted include both the Indemnitor and such Indemnitee and, in the reasonable judgment of counsel to such Indemnitee, there exists one or more good faith defenses that may be available to the Indemnitee that are in conflict with those available to the Indemnitor or that the Indemnitor and Indemnitee have actual material conflicting interests with respect to such claim, demand, action or cause of action. Notwithstanding the foregoing, the Indemnitor shall not be liable for the fees and disbursements of more than one counsel for all Indemnitees in connection with any one proceeding or any similar or related proceedings arising from the same general allegations or circumstances. Without the prior written consent of an Indemnitee, which shall not be unreasonably withheld or delayed, the Indemnitor will not enter into any settlement of or consent to the entry of judgment in connection with any Third Party Claim that (i) would lead to liability or create any financial or other obligation on the part of the Indemnitee, (ii) does not contain, as an unconditional term thereof, the release of the Indemnitee from all liability in respect of such Third Party Claim or such Third Party Claim is not dismissed against the Indemnitee with prejudice and without the imposition of any financial or other obligation on the Indemnitee or (iii) admits the liability or fault of the Indemnitee (the “Settlement Requirements”). If a settlement offer solely for money damages (and otherwise satisfying the Settlement Requirements) is made to resolve a Third Party Claim and the

Indemnitor notifies the Indemnitee in writing of the Indemnitor's willingness to accept the settlement offer and pay the amount called for by such offer without reservation of any rights or defenses against the Indemnitee and if the Indemnitee fails to consent to such settlement offer within ten calendar days after its receipt of such notice, Indemnitee may continue to contest such claim, free of any participation by the Indemnitor, and the amount of any ultimate liability with respect to such Third Party Claim that the Indemnitor has an obligation to pay hereunder shall be limited to the lesser of (x) the amount of the settlement offer that the Indemnitee declined to accept plus the Losses of the Indemnitee relating to such Third Party Claim through the date of its rejection of the settlement offer or (y) the aggregate Losses of the Indemnitee with respect to such claim. The party controlling any defense shall keep the other party advised of the status of such action, suit, proceeding or claim and the defense thereof and shall consider in good faith all reasonable recommendations made by the other party with respect thereto.

(b) Direct Claims. Any claim by an Indemnitee for Losses that do not result from a Third Party Claim (each, a "Direct Claim") shall be asserted by giving the Indemnitor prompt written notice thereof, but in any event not later than 60 calendar days after the incurrence thereof or such Indemnitee's actual knowledge of such event (whichever is later), provided, however, that the failure of an Indemnitee to notify the Indemnitor within the time period set forth herein shall only relieve the Indemnitor from its obligation to indemnify to the extent that the Indemnitor is materially prejudiced by such failure or delay (whether as a result of the forfeiture of substantive rights or defenses or otherwise), and the Indemnitor will have a period of 30 calendar days within which to respond in writing to such Direct Claim. If the Indemnitor does not so respond within such 30 calendar day period, the Indemnitor will be deemed to have accepted such claim. If the Indemnitor rejects such claim, the Indemnitee will be free to pursue such remedies as may be available to the Indemnitee on the terms and subject to the provisions of this Article XVI.

16.5 Surviving Liability.

(a) As of the date hereof and until the Closing, FairPoint shall be liable for any amounts owed to Supplier and its Affiliates pursuant to this Agreement.

(b) As of the Closing and thereafter, Surviving Corporation and Buyers shall be jointly and severally liable for any amounts owed to Supplier and its Affiliates pursuant to this Agreement.

ARTICLE XVII

TAXES

17.1 Taxes. The Buyers shall pay Supplier or its Affiliates for any Tax (except income taxes) levied upon any Transition Service or Schedule B Service or on Supplier or an Affiliate with respect to any Transition Service or Schedule B Service; provided, however, to the extent Tax is not collected and remitted by Supplier or its Affiliates, Buyers may remit such Tax directly to the appropriate Governmental Authority. If the Buyers determine that any Transition Service or Schedule B Service is exempt from a Tax, the Buyers shall provide Supplier with a properly completed and timely exemption certificate for each jurisdiction for which the Buyers are claiming an exemption before Supplier may exclude the respective Tax from the amounts charged the Buyers. Supplier will invoice the Buyers for applicable Taxes with respect to the Transition Services in the manner provided in Article VI. If the Buyers dispute any invoice for Taxes owing in good faith, it shall immediately notify Supplier in writing, giving the reasons for the dispute. The Buyers shall be responsible for and will reimburse Supplier for any costs and expenses incurred by Supplier in contesting those Taxes disputed by the Buyers before the appropriate Governmental Authority. Any amount due under this paragraph, which is not paid within 30 calendar days that is not subject to a good faith dispute, shall bear interest at the Applicable Rate until paid. Notwithstanding the foregoing, the Buyers shall not be obligated for, and Supplier shall pay, all Taxes on the income of Supplier (and, prior to the Closing, Buyers), and each party shall bear sole responsibility for all real or personal property-related Taxes on its owned or leased real or personal property (including sales and use taxes on such property acquired in order to provide the Transition Services), for franchise or similar Taxes on its business, for employment Taxes on its employees, and for intangible Taxes on property it owns or licenses.

ARTICLE XVIII

RECORDS; ACCESS

18.1 Records. Supplier and its Affiliates shall maintain records with respect to the Transition Services that are in a form and contain a level of detail similar to records, if any, that are maintained in providing similar services for Verizon New England Inc. and the Contributing Companies (and in any event consistent with applicable law), for a period of 1 year after the termination of this Agreement or such longer period as required by applicable law. Supplier shall also maintain records in accordance with applicable law and generally accepted accounting principles to substantiate charges for Third-Party Intellectual Property and Taxes for a period of 18 months from the date of termination or expiration of this Agreement. During the period in which Supplier is required to

maintain such records, upon prior written request to Supplier, Buyers shall have access to such records during normal business hours of Supplier or its applicable Affiliate at the place where such records are normally maintained.

18.2 Access to Books, Records, Personnel. During the term of this Agreement and for a period of 18 months thereafter, Supplier and its Affiliates shall permit Buyers and their employees, auditors and other representatives to have reasonable access, during normal business hours and upon reasonable advance notice, to books and records and appropriate personnel of Supplier and its Affiliates, to the extent such access is reasonably requested by Buyers in order to permit the evaluation of, and any required reporting, certifications and attestations with respect to, internal controls, processes and systems in connection with the provision of the Transition Services for purposes of compliance with the Sarbanes-Oxley Act of 2002.

ARTICLE XIX

DISPUTE RESOLUTION

19.1 General. Except with respect to injunctive relief described below, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, which shall not include any challenge or dispute as to the rate for any Transition Service payable under Article II or Section 14.2(b), shall attempt to be settled first, by good faith efforts of the parties to reach mutual agreement, and second, if mutual agreement is not reached to resolve the dispute, by final, binding arbitration as set out below.

19.2 Initiation. A party that wishes to initiate the dispute resolution process shall send written notice to the other party with a summary of the controversy and a request to initiate these dispute resolution procedures. Each party shall appoint a knowledgeable, responsible representative who has the authority to settle the dispute, to meet and to negotiate in good faith to resolve the dispute. The discussions shall be left to the discretion of the representatives who may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations (i) shall be treated as confidential information under the Confidentiality Agreement developed for purposes of settlement, (ii) shall be exempt from discovery and production and (iii) shall not be admissible in the arbitration described above or in any lawsuit pursuant to Rule 408 of the Federal Rules of Evidence. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise admissible, be admitted in evidence in the arbitration or

lawsuit. The parties agree to pursue resolution under this subsection for a minimum of 30 calendar days before requesting arbitration.

19.3 Arbitration Request. If the dispute is not resolved under the preceding subsection within 30 days of the initial written notice, either party may demand arbitration by sending written notice to the other party. The parties shall promptly submit the dispute to the American Arbitration Association for resolution by a single neutral arbitrator acceptable to both parties, as selected under the rules of the American Arbitration Association. The dispute shall then be administered according to the American Arbitration Association's Commercial Arbitration Rules, with the following modifications: (i) the arbitration shall be held in a location mutually acceptable to the parties, and, if the parties do not agree, the location shall be New York City, New York; (ii) the arbitrator shall be licensed to practice law; (iii) the arbitrator shall conduct the arbitration as if it were a bench trial and shall use, apply and enforce the Federal Rules of Evidence and Federal Rules of Civil Procedure; (iv) except for breaches related to Confidential Information, the arbitrator shall have no power or authority to make any award that provides for consequential, punitive or exemplary damages or extend the term hereof; (v) the arbitrator shall control the scheduling so that the hearing is completed no later than 30 days after the date of the demand for arbitration; and (vi) the arbitrator's decision shall be given within 5 days thereafter in summary form that states the award, without written decision, which decision shall follow the plain meaning of this Agreement, and in the event of any ambiguity, the intent of the parties. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction over the parties. Each party to the dispute shall bear its own expenses arising out of the arbitration, except that the parties shall share the expenses of the facilities to conduct the arbitration and the fees of the arbitrator equally.

19.4 Injunctive Relief and Specific Performance.

(a) The foregoing and Section 22.8 below notwithstanding, each party shall have the right to seek injunctive relief in any permitted court of law or equity to preserve the status quo pending resolution of the dispute and enforce any decision relating to the resolution of the dispute.

(b) If Supplier materially breaches its obligations with respect to planning for Cutover set forth in Article IV, Supplier agrees that FairPoint would be irreparably harmed, and, without any additional findings of irreparable injury or harm or other considerations of public policy, FairPoint shall be entitled to apply to a court of competent jurisdiction for and, provided FairPoint follows the appropriate procedural requirements (including notice and an affidavit that FairPoint has not failed to perform

its material obligations set forth in Article IV). Supplier shall not oppose the granting of an injunction compelling specific performance by the Supplier of its obligations under Article IV of this Agreement without the necessity of posting any bond or other security.

ARTICLE XX

PLANT WORK RULES AND RIGHT OF ACCESS

20.1 Compliance. Subject to any policies and procedures provided as set forth in Article XII above, the employees, subcontractors and agents of the parties, while on the premises of the other, shall comply with all reasonable and customary plant rules, regulations and standards for security which are not in violation of the terms and conditions of this Agreement.

20.2 Access to Facilities. Each party shall permit reasonable access commensurate with the requirements of the tasks to be performed during normal working hours to its facilities that are used in connection with the performance of Transition Services. No charge shall be made for such visits. Reasonable prior notice shall be given when access is required.

20.3 Computer Matters. Subject to any policies and procedures provided as set forth in Article XII above, to the extent that the Transition Services include a party's access to computer support systems or electronic data storage systems of the other party or its Affiliates, whether on-site or through remote facilities, the accessing party shall use such computer support systems solely for the purpose of providing or receiving Transition Services. An accessing party or its Affiliates shall not access or attempt to access any computer system, electronic file, software or other electronic services other than those specifically required to accomplish or receive the Transition Services required under this Agreement. Under no circumstances shall either party's personnel access any networks or facilities of the other party for the purpose of accessing other external networks, nor shall any such capabilities for such access be published or made known via any medium, as for example and not by way of limitation, posting on bulletin boards or E-mail. Any such use or publication shall be a material breach of this Agreement. Neither party shall use back doors, data capture routines, games, viruses, worms or Trojan horses, and any intentional introduction of such into the other party's data networks shall be deemed a material breach of this Agreement. The party receiving access shall limit such access to those of its employees whom the other party has authorized in writing to have such access in connection with this Agreement or the applicable Transition Service, and shall strictly follow all security rules and procedures

for use of the providing party's electronic resources. All user identification numbers and passwords and any information obtained as a result of access to and use of a party's computer and electronic data storage systems shall be deemed to be, and shall be treated as, Confidential Information under applicable provisions of the Confidentiality Agreement. Each party agrees to cooperate with the other in the investigation of any apparent unauthorized access to a party's computer or electronic data storage systems.

ARTICLE XXI

INSURANCE

21.1 Coverage. During the term of this Agreement, each party shall obtain and maintain the following insurance: (i) Commercial General Liability, including coverage for (a) premises/operations, (b) independent contractors, (c) products/completed operations, (d) personal and advertising injury, (e) contractual liability and (f) explosion, collapse and underground hazards, with combined single limit of not less than \$5,000,000.00 each occurrence or its equivalent; (ii) Worker's Compensation in amounts required by applicable law and Employer's Liability with a limit of at least \$1,000,000.00 each accident; and (iii) Automobile Liability including coverage for owned/leased, non-owned or hired automobiles with combined single limit of not less than \$1,000,000.00 each accident.

21.2 Self-insurance. Without limiting the required coverage amounts set forth in Section 21.1, all parties expressly acknowledge that a party shall be deemed to be in compliance with the provisions of this Section 21.2 if it maintains an approved self-insurance program providing for retention of up to \$1,000,000.00. If either party provides any of the foregoing coverage on a claims-made basis, such policy or policies shall be for at least a 3 year extended reporting or discovery period.

21.3 Rating. Unless otherwise agreed, all insurance policies shall be obtained and maintained with companies rated A or better by Best's Key Rating Guide, and each party shall, upon request, provide the other party with an insurance certificate confirming compliance with the requirements of this Section 21.3.

21.4 Subrogation. The parties shall each obtain from the insurance companies providing the coverage required by this Agreement, the permission of such insurers to allow such party to waive all rights of subrogation and such party does hereby waive all rights of said insurance companies to subrogation against the other party, its affiliates, subsidiaries, assignees, officers, directors and employees.

21.5 Indemnification. In the event any party fails to maintain the required insurance coverage and a claim is made or suffered, such party shall indemnify and hold harmless the other parties from any and all claims for which the required insurance would have provided coverage.

ARTICLE XXII

MISCELLANEOUS

22.1 Notices. All notices and other communications required or permitted hereunder shall be in writing and, unless otherwise provided in this Agreement, will be deemed to have been given when delivered in person or dispatched by electronic facsimile transfer (confirmed in writing by certified mail, concurrently dispatched) or one business day after having been dispatched for next-day delivery by a nationally-recognized overnight courier service to the appropriate party at the address specified below:

(a) If to the Buyers, to:

Northern New England Telephone Operations Inc.
c/o Verizon Communications Inc.
One Verizon Way, VC22E202
Basking Ridge, NJ 07920
Facsimile: (908) 696-2172
Attn: Stephen E. Smith
Vice President

With a copy (which shall not constitute notice) to:

Dale R. Chamberlain
Assistant General Counsel
Verizon Communications Inc.
One Verizon Way, VC 54S403
Basking Ridge, NJ 07920
Facsimile: (908) 696-2068

and

Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022

Facsimile: (212) 909-6836
Attn: Kevin M. Schmidt

(b) If to the FairPoint or Surviving Corporation, to:

FairPoint Communications, Inc.
521 E. Morehead St., Ste. 250
Charlotte, NC 28202
Facsimile: 704.344.1594
Attn: Peter G. Nixon
Chief Operating Officer

and

FairPoint Communications, Inc.
521 E. Morehead St., Ste. 250
Charlotte, NC 28202
Facsimilie: 704.344.1594
Attn: Shirley J. Linn
Executive Vice President and General Counsel

With a copy to (which shall not constitute notice):

Paul, Hastings, Janofsky & Walker LLP
75 East 55th Street
New York, NY 10022
Facsimile No.: (212) 230-7700
Attn: Thomas E. Kruger

(c) If to Supplier, to:

Verizon Information Technologies LLC
c/o Verizon Communications Inc.
One Verizon Way, VC22E202
Basking Ridge, NJ 07920
Facsimile: (908) 696-2172
Attn: Stephen E. Smith
Vice President

With a copy (which shall not constitute notice) to:

Dale R. Chamberlain
Assistant General Counsel
Verizon Communications Inc.

One Verizon Way, VC 54S403
Basking Ridge, NJ 07920
Facsimile: (908) 696-2068

and

Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022
Facsimile: (212) 909-6836
Attn: Kevin M. Schmidt

or to such other address or addresses as such party may, from time to time, designate by like notice.

22.2 Assignment; Exclusivity. The Buyers, FairPoint, Surviving Corporation and their Affiliates shall not assign any of their rights or obligations under this Agreement (by assignment, operation of law, merger or otherwise) without the prior written consent of Supplier, which may be withheld in its sole discretion, and any such prohibited assignment shall be null and void; provided, however, that (i) Buyers and FairPoint may, without the consent of Supplier, (A) assign any of their rights and obligations, in whole or in part, hereunder to any Affiliate of Buyers controlled, directly or indirectly, by FairPoint (it being agreed that any such assignment shall not relieve Buyers or FairPoint from their respective obligations hereunder) and (B) collaterally assign, in whole or in part, any of their rights hereunder as security to one or more lenders; provided that such lenders agree to the terms and conditions of this Agreement. The Supplier may assign any of its rights and obligations to an Affiliate or Affiliates of Supplier without the consent of Buyers, FairPoint or Surviving Corporation (it being agreed that, any such assignment shall not relieve Supplier of its obligations hereunder). This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their respective permitted successors and assigns.

22.3 Amendments. This Agreement may be amended or modified only by a subsequent writing signed by authorized representatives of all parties.

22.4 Headings/Captions. The headings and captions set forth in this Agreement are for convenience only and shall not be considered as part of this Agreement nor as in any way limiting or amplifying the terms and provisions hereof.

22.5 Entire Agreement. This Agreement (together with its Schedules), the Distribution Agreement and the Merger Agreement supersede and revoke any prior

discussions and representations, other agreements, term sheets, commitments, arrangements or understandings of any sort whatsoever, whether written or oral, that may have been made or entered into by the parties relating to the matters contemplated hereby; provided, that if there is a conflict between the provisions of the Distribution Agreement, the Merger Agreement and this Agreement, the provisions of this Agreement shall govern and control.

22.6 Waiver. Except as otherwise expressly provided in this Agreement, neither the failure nor any delay on the part of any party to exercise any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise or waiver of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege available to each party at law or in equity.

22.7 Counterparts. This Agreement may be executed in one or more counterparts, any or all of which shall constitute one and the same instrument.

22.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (except that no effect shall be given to any conflicts of law principles of the State of New York that would require the application of the laws of any other jurisdiction). The parties irrevocably submit to the exclusive jurisdiction of any New York State Court or any Federal Court located in the borough of Manhattan in the City of New York for purposes of any suit, action or other proceeding to enforce the provisions of Article XIX or any arbitration award under Article XIX. The parties agree that service of process, summons or notice or document by U.S. registered mail to such party's respective address set forth in Section 21.1 shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction as set forth above in the immediately preceding sentence. **THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER AGREEMENT ENTERED INTO IN CONNECTION THEREWITH AND FOR ANY COUNTERCLAIM WITH RESPECT THERETO.** In the event of any breach of the provisions of this Agreement, the non-breaching party shall be entitled to seek equitable relief, including in the form of injunctions and orders for specific performance, where the applicable legal standards for such relief in such courts are met, in addition to all other remedies available to the non-breaching party with respect thereto at law or in equity.

22.9 Further Assurances. From time to time after the Closing Date, as and when requested by one of the parties, the other parties will use their commercially reasonable efforts to execute and deliver, or cause to be executed and delivered, all such documents and instruments as may be reasonably necessary or appropriate, in the reasonable opinion of counsel for Supplier and the Buyers, to provide or receive the services or perform the obligations contemplated by this Agreement.

22.10 Severability. If any provision of this Agreement is determined to be invalid, illegal or unenforceable by any Governmental Authority, the remaining provisions of this Agreement to the extent permitted by law shall remain in full force and effect provided that the essential terms and conditions of this Agreement for both parties remain valid, binding and enforceable and provided that the economic and legal substance of the transactions contemplated is not affected in any manner materially adverse to any party. In the event of any such determination, the parties agree to negotiate in good faith to modify this Agreement to fulfill, as closely as possible, the original intents and purposes hereof. To the extent permitted by law, the parties hereby to the same extent waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

22.11 No Third-Party Beneficiary. Nothing herein expressed or implied is intended to confer upon any Person, other than the parties and their respective permitted assignees, any right, obligations or liabilities under or by reason of this Agreement; provided however, that notwithstanding the foregoing, each subsidiary of the Surviving Corporation which engages in the Spinco Business as conducted on the Closing Date as a successor to one or more of the Contributing Companies in whole or in part is an intended third-party beneficiary.

22.12 Independent Contractor. The parties hereto understand and agree that this Agreement does not make any of them an agent or legal representative of any other for any purpose whatever. No party is granted, by this Agreement or otherwise, any right or authority to assume or create any obligation or responsibility, express or implied, on behalf of or in the name of any other party or to bind any other party in any manner whatsoever. The parties expressly acknowledge (i) that Supplier and its Affiliates are independent contractors with respect to the Buyers and their Affiliates in all respects, including, without limitation, the provision of Transition Services and (ii) the parties are not partners, joint venturers, employees or agents of or with each other.

22.13 Governing Provisions. To the extent that any of the provisions, terms or conditions set forth in this Agreement are inconsistent or conflict with any specific provisions or descriptions set forth in any Schedule to this Agreement, the provisions of

the Schedule shall govern and control, provided, that if the provisions of any Schedule are inconsistent with the provisions of Section 3.1 or 3.2 of this Agreement, then Section 3.1 or 3.2 shall control. If the provisions of the “General Provisions and Select Definitions” of the Schedule A, Schedule C and Schedule D, are inconsistent with or conflict with any specific Transition Service description subsection of Schedule A, Schedule C or Schedule D, then such “General Provisions and Select Definitions” shall control.

22.14 Force Majeure. If performance of any Transition Service or other obligation under this Agreement is prevented, restricted, interrupted or interfered with by reason of acts of God, wars, revolution, civil commotion, acts of public enemy, embargo, acts of government in its sovereign capacity, labor difficulties, including, without limitation, strikes, slowdowns, picketing or boycotts, communication line failures, power failures, or any other circumstances beyond the reasonable control and not involving any willful misconduct or gross negligence of the party seeking relief under this Section 21.14 or its Affiliates (each, a “Force Majeure Event”), such party upon giving prompt notice to the other, shall be excused from such performance on a day-to-day basis during the continuance of such prevention, restriction or interference, provided, however, that such party shall use its commercially reasonable efforts to avoid or remove such causes of nonperformance and shall proceed immediately with the performance of its obligations under this Agreement whenever such causes are removed or cease; provided further, however, that, except as provided in Article XIV, in no event shall any of the foregoing result in an extension of the term of this Agreement. Without limiting the generality of the foregoing, Supplier shall make available to FairPoint and Buyers any business continuity and disaster recovery services that Supplier has in place for its own operations on an equal basis as Supplier makes such business continuity and disaster recovery services available to its own operations similarly affected by such Force Majeure Event. Notwithstanding the foregoing, if Supplier’s performance is excused by a Force Majeure Event, and Supplier fails to resume full performance of all its obligations hereunder within 10 business days of the onset of the Force Majeure Event, the Buyers or FairPoint may terminate this Agreement without penalty or other liability whatsoever (other than for Transition Services previously rendered), in whole or in part, immediately upon written notice to Supplier. Furthermore, if either party does not perform any of its obligations hereunder as a result of a Force Majeure Event, and the other party’s performance of its obligations hereunder are conditioned upon the first party’s performance, then notwithstanding anything in this Agreement to the contrary, the party’s performance will be excused until such time as the first party has performed those obligations prevented by the Force Majeure Event.

22.15 Confidentiality. For all purposes of this Section 22.15, Confidential Information of Buyers shall be deemed Confidential Information of FairPoint, and Confidential Information of FairPoint shall be deemed Confidential Information of

Buyers. For purposes of this Agreement, Confidential Information of Buyers/FairPoint shall mean (i) the Customer Data (as that term is defined in the Intellectual Property Agreement) and any updates thereto provided by Buyers or FairPoint to Supplier or any of its Affiliates pursuant to this Agreement, (ii) non-public, non-technical information based on Customer Data created by Supplier in the performance of Transition Services pursuant to this Agreement, and (iii) non-public, non-technical business information related to Cutover as disclosed by Buyer or FairPoint pursuant to Section 4.1. For purposes of this Agreement, Confidential Information of Supplier shall mean (i) Licensed Intellectual Property, (ii) any technical information provided to Buyer or FairPoint or any of their Affiliates by Supplier or any of its Affiliates pursuant to this Agreement, and (iii) any information provided to Buyer, FairPoint or any of their Affiliates or contractors by Supplier or any of its Affiliates pursuant to Section 4.1, including, but not limited to, technical information, data formats, software, documentation, and software scripts.

(a) Obligations

FairPoint and Supplier will each refrain from disclosure of Confidential Information of the other party to any Person not authorized by the other party and will use the Confidential Information of the other party solely for the performance of or use of Transition Services; it being understood and agreed that each party will use the same level of care (including both facility physical security and electronic security) to prevent unauthorized disclosure and/or use by third parties of the Confidential Information of the other party as it employs to avoid unauthorized disclosure or use of its own information of a similar nature, but in no event less than a reasonable standard of care.

Notwithstanding the foregoing obligations (but subject to compliance with law) the parties may disclose to and permit use of the Confidential Information of the other party by their respective legal counsel, auditors, contractors and subcontractors where: (i) such disclosure and use is reasonably necessary; and (ii) such auditors, contractors and subcontractors are bound by obligations of confidentiality, non-disclosure and other terms as restrictive in scope as those set forth in this Section 22.15.

(b) Exclusions

Notwithstanding the foregoing, this Section 22.15 shall not apply to any information which Supplier or FairPoint can demonstrate was or is: (a) at the time of disclosure to it, in the public domain; (b) after disclosure to it, published or otherwise becomes part of the public domain through no fault of the receiving party; (c) received after disclosure to it from a third party, who had a lawful right to and, without a breach of duty owed to the disclosing party, without any restriction on use or disclosure; or (d) independently developed by or for the receiving party without reference to or use of the Confidential

Information of the disclosing party. Further, either party may disclose the other party's Confidential Information to the extent required by law or order of a court or governmental agency. However, in the event of disclosure pursuant to an order of a court or governmental agency, and subject to compliance with law or such order of a court or governmental agency, the recipient of such Confidential Information shall give the disclosing party prompt notice to permit the disclosing party an opportunity, if available, to obtain a protective order or otherwise protect the confidentiality of such information, all at the disclosing party's cost and expense.

(c) Ownership

All Confidential Information of a party or a designated group shall remain the exclusive property of the disclosing party and the disclosure shall not grant any express or implied interest in the other party or its subcontractors to such Confidential Information. Upon written request by a party at any time and without regard to the default status of the parties under this Agreement, the other party shall promptly return to the disclosing party the Confidential Information in the format as it exists on the date of the request.

(d) Loss of or Unauthorized Access to Confidential Information

Each of Supplier and FairPoint shall promptly notify the other party in writing if it becomes aware of any disclosure or use in violation of this Agreement of the other party's Confidential Information that is in such party's or an Affiliate's or subcontractor's possession.

(e) Data Privacy

FairPoint shall be and remain the controller of Confidential Information of the Buyer for purposes of all applicable laws relating to data privacy, personal data, transborder data flow and data protection (collectively, the "Privacy Laws"), with rights to determine the purposes for which Confidential Information of Buyer is processed, and nothing in this Agreement will restrict or limit in any way FairPoint's rights or obligations as owner and/or controller of Confidential Information of Buyer for such purposes.

(f) Limitation

The obligations of this Section 22.15 (a) will apply after the Effective Date to any Confidential Information disclosed to the receiving party after the Effective Date and (b) will continue and must be maintained with respect to Confidential Information for a period: (i) in the case of Personally Identifiable Information or software (including software scripts and data formats), in perpetuity, and (ii) in the case of all other Confidential Information, except as otherwise set forth in the Merger Agreement, the Distribution Agreement or Intellectual Property Agreement, for a period of [ten] years from receipt.

Personally Identifiable Information means personally identifiable information included in Customer Data. Personally Identifiable Information may include social security numbers, personal credit histories, personal financial information and employment records.

IN WITNESS WHEREOF, the parties, acting through their duly authorized representatives, have caused this Agreement to be duly executed and delivered as of the date first above written.

**VERIZON INFORMATION
TECHNOLOGIES LLC.**

By: _____
Name:
Title:

**FAIRPOINT COMMUNICATIONS,
INC.**

By: _____
Name:
Title:

**NORTHERN NEW ENGLAND
TELEPHONE OPERATIONS INC.**

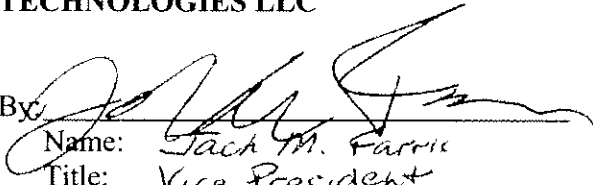
By: _____
Name:
Title:

**ENHANCED COMMUNICATIONS OF
NORTHERN NEW ENGLAND INC.**

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties, acting through their duly authorized representatives, have caused this Agreement to be duly executed and delivered as of the date first above written.

**VERIZON INFORMATION
TECHNOLOGIES LLC**

By: 
Name: *Jack M. Farris*
Title: *Vice President*

FAIRPOINT COMMUNICATIONS, INC.

By: _____
Name:
Title:

**NORTHERN NEW ENGLAND
TELEPHONE OPERATIONS INC.**

By: _____
Name: Stephen E. Smith
Title: Vice President

**ENHANCED COMMUNICATIONS OF
NORTHERN NEW ENGLAND INC.**

By: _____
Name: Stephen E. Smith
Title: Vice President

IN WITNESS WHEREOF, the parties, acting through their duly authorized representatives, have caused this Agreement to be duly executed and delivered as of the date first above written.

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TECHNOLOGIES LLC**

By: _____
Name:
Title:

FAIRPOINT COMMUNICATIONS, INC.

By:  _____
Name:
Title:

**NORTHERN NEW ENGLAND
TELEPHONE OPERATIONS INC.**

By: _____
Name: Stephen E. Smith
Title: Vice President

**ENHANCED COMMUNICATIONS OF
NORTHERN NEW ENGLAND INC.**

By: _____
Name: Stephen E. Smith
Title: Vice President

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TECHNOLOGIES LLC**

By: _____
Name:
Title:

FAIRPOINT COMMUNICATIONS, INC.

By: _____
Name:
Title:

**NORTHERN NEW ENGLAND
TELEPHONE OPERATIONS INC.**

By: Stephen E. Smith
Name: Stephen E. Smith
Title: Vice President

**ENHANCED COMMUNICATIONS OF
NORTHERN NEW ENGLAND INC.**

By: Stephen E. Smith
Name: Stephen E. Smith
Title: Vice President

SCHEDULE A

GENERAL PROVISIONS AND SELECT DEFINITIONS	5
CORP.BD.1 Transition Services Administration	7
CORP.ACCT.1 Accounting Services	8
CORP.HR.1 Employee Services.....	11
CORP.HR.2 Compensation Administration	12
CORP.HR.3 Leaves Of Absence Administration.....	16
CORP.HR.4 Disability Administration	18
CORP.REG.1 Regulatory Accounting.....	22
CORP.REG.2 Tariffs Support	23
CORP.TAX.1 Transaction Tax Preparation Services.....	25
CORP.TAX.2 Property Tax Accounting Services.....	26
CORP.FIN.1 Local Interconnection Billing Operations (LIBO).....	27
CORP.FIN.2 Independent Telephone Company Settlement (ITCS) Process Services	28
CORP.FIN.3 Billing & Collection Operational And Settlement Process Services	30
ENG.COE.1 Message Trunk Network Services and Provisioning.....	31
ENG.COE.2 Central Office Equipment Procurement and Design	32
ENG.COE.3 Customer Network Engineering	33
ENG.COE.4 Switch, Tandem, And Voice Messaging Engineering And Planning.....	34
ENG.COE.5 Miscellaneous Engineering Support Services	35
ENG.INV.1 Miscellaneous Engineering Inventory Services	36
ENG.INV.2 Engineering Systems Support Services	37
ENG.PLN.1 Network Planning Services	39
ENG.OTH.1 Customer Network Engineering.....	43
ENG.OTH.2 Database Management Services (DBMS).....	44
ENG.OTH.3 Build Requests Control Center (BRCC)	45
ENG.OTH.4 Inter-Office Facilities (IOF) Engineering Provisioning	46
ENG.OTH.5 SS7 and E911 Circuit Diversity Analysis and Synchronization Engineering.....	47
ESG.SYS.1 Enterprise Solutions Group (ESG) Support.....	48
NET.NPC.1 Circuit Provisioning Services.....	50
NET.NPC.2 Data Network Creation.....	51
NET.NPC.3 Voice Network Creation Services	52

NET.NPC.4 Winback Coordination (WCC) Services	53
NET.SMT.1 Network Maintenance Operations Center (NMOC) Services	54
NET.SMT.2 Network Maintenance Center Services.....	56
NET.SMT.3 Transport Tier II Technical Support	57
NET.SMT.4 Switching Tier II.....	58
NET.SMT.5 Power Tier II Technical Support	60
NET.SMT.6 IP Networks Tier II Technical Support.....	61
NET.SMT.7 Broadband Tier II Technical Support	63
NET.SMT.8 Management Networks Support and Management.....	65
NET.SMT.9 Network Services Management Services	66
NET.SYS.1 Network Systems Administration.....	67
NET.SYS.2 Central Office Field Operations Support.....	69
ROPS.FSC.1 Fiber Solution Center (FSC) Services	70
ROPS.VRRC.1 Repair Resolution Center	71
ROPS.NCC.1 Network Control Center (NCC)	72
ROPS.NTC.1 Network Transport Center Services.....	73
PAOS.CCI.1 Customer Measurement Services (CMS).....	74
PAOS.CCI.2 Customer Advocacy Operations	75
PAOS.PAS.1 Process Assurance And Support	76
PAOS.SVS.1 Service Assurance Support.....	77
PAOS.SAS.1 Sales Assurance and Support	80
PAOS.SYS.1 Systems Assurance and Support	82
RET.LVS.1 Livesource Operator Services.....	83
RET.MKT.1 Voice Product Management & Development	85
RET.MKT.2 Business Services Group Support Service	86
RET.PUB.1 Per Call Compensation (PCC) Administration.....	87
RET.PUB.2 Pubcom Commission Check Production Service	88
RET.PUB.3 Pubcom Retail Customer Service.....	89
RET.PUB.4 Pubcom Dispatch Service.....	90
RET.PUB.5 Pubcom Coin Counting Service	91
RET.PUB.6 Customer Contact Center Service	92

RET.PUB.7 Smart Set Management Service.....	93
VPS.SR.1 Wholesale Service Requests	94
VPS.DB.1 LNP, 8XX, SS7 Database Services.....	97
VSO.FO.1 Payroll and Time Reporting.....	100
VSO.FO.2 Accounts Payable.....	104
VSO.FO.3 Customer Billing Operations	106
VSO.FO.4 Special Projects Billing & Claims Processing Services	107
VSO.FO.5 Remittance Processing Service.....	108
VSO.FO.6 Emittance Payment Processing Service.....	110
VSO.FO.7 Return Check Processing Services	111
VSO.FO.8 Bill Print And Distribution Center.....	112
VSO.SUP.1 Fleet Support Center Services	113
VSO.RE.1 Centralized And Portfolio Management Services	114
VSO.RM.2 Live And Finals Collection Support.....	115
VSO.RM.3 Fraud Prevention.....	116
VSO.RM.4 Credit Screening	117
DSL.NET.1 DSL LEC Provisioning Fallout and Maintenance Support	118
IT.SYS.1 Information Technologies Support Services	119
IT.SYS.2 eWeb Intranet Services	120
IT.SYS.3 Customer Billing Operations	122

SCHEDULE A

GENERAL PROVISIONS AND SELECT DEFINITIONS

The following general provisions and definitions shall have application to all sections of Schedule A. If a specific Transition Service subsection of this Schedule contains a provision which conflicts with these General Provisions, the provisions in this subsection shall control.

Headings and Captions: The headings and captions set forth in this Schedule are for convenience only and shall not be considered as part of this Schedule nor as in any way limiting or amplifying the terms and provisions hereof.

Use of Vendors: To the extent that Supplier or its Affiliates engage any vendor to deliver any product or service in connection with provision of a Transition Service, Supplier may use the same vendors used on the Closing Date or Supplier may, in its discretion, substitute a new vendor.

To the extent Buyers are required pursuant to the provisions of this Schedule to engage any vendor in connection with any Transition Service, unless otherwise specifically stated in this Schedule, Buyers shall use the same Vendors which Supplier or its Affiliates used on the Closing Date, or Supplier's alternate vendor used thereafter as a result of a Conforming Change or a Service Modification. Buyers shall timely negotiate agreements with such vendor(s) such that vendor services shall commence on the Closing Date. Buyers shall be responsible for all fees and charges from its vendors, and such fees and charges are not included in the Service Fees. In the event that Buyers fail to timely engage a vendor, Supplier shall not provide any related Transition Service until such time as Buyers engage the proper vendor(s). There shall be no reduction in the Base Service Fee for any such Transition Service.

Buyers Training: Buyers agree, at its cost and expense, and at reasonable times and locations identified by Supplier, to make Buyers Employees or Other Employees, as applicable, available for Supplier (or Supplier's designated third-parties) for training with respect to Transition Services.

[FairPoint] Training: [FairPoint] at its cost and expense, and at reasonable times and locations identified by Supplier, to make Other Employees available for Supplier (or Supplier's designated third-parties) for training with respect to Transition Service ESG.SYS.1.

Schedules: Unless specifically indicated to the contrary in a subsection of this Schedule, Buyers agree that all data processing and service delivery shall be provided on the same schedules and at the same time of the day, month or year as Verizon New England or the Contributing Companies received or provided such data processing or services immediately prior to the Closing Date.

File, Data and Report Formats: Unless specifically indicated to the contrary in this Schedule, Buyers agree that all files, reports and other data structures and file and data transmission processes shall be the same as Verizon New England or the Contributing Companies received or provided immediately prior to the Closing Date.

The term "Buyers" means collectively Northern New England Telephone Operations Inc. and Newco II.

The term "existing" means existing on the Closing Date or existing on the date immediately after the completion of a Conforming Change or completion of a mutually agreed Service Modification.

The term "States" means Maine, New Hampshire and Vermont.

The term "Buyers Employees" means those employees defined as "[FairPoint] Employees" in the Employee Matters Agreement.

The term "Other Employees" means those employees of [FairPoint] before or after Closing, who are not "Buyers Employees" as defined in this Agreement.

The term "Verizon New England" means Verizon New England Inc.

The term "Customer" or "Customers" means customers of the Spinco Business prior to or after Closing, but shall not include any other customers of [FairPoint] or its Affiliates (including customers transferred to any successor of any Contributing Company engaged in the Spinco Business from [FairPoint] or its other Affiliates).

The term "NNETO" means Northern New England Telephone Operations Inc.

CORP.BD.1 Transition Services Administration

DESCRIPTION

Supplier will administer the Transition Services delivery to Buyers primarily by performing the activities described below:

1. Coordinate and plan for implementation of the Transition Services Agreement (TSA).
2. Issue monthly invoice for all Transition Services to Buyers.
3. Investigate any billing disputes for Transition Services.
4. Maintain proper supporting documentation for invoices issued.
5. Provide Buyers with written Conforming Change notification.
6. Provide Buyers with a Single Point of Contact (SPOC) to perform the required responsibilities.
7. Act as the primary liaison for potential TSA dispute resolutions.
8. Coordinate, plan, and attend meetings with the TSA Subject Matter Experts (SME).

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

CORP.ACCT.1 Accounting Services

NOTE: This service is provided only for the local exchange telephone business of NNETO, and does not provide any transition support to any other portions of the Spinco Business.

DESCRIPTION

Supplier will provide NNETO:

1. Financial accounting services:
 - a. Preparation of monthly GAAP based Income Statement, Balance Sheet, Cash Flow Statement and certain Balance Sheet account reconciliations. Financial statements will not be audited by an independent accounting firm.
 - b. Financial Statements shall be released to NNETO eight days (8) after Supplier's accounting period close.
 - c. Balance Sheet account reconciliations shall be released to NNETO forty-five days (45) after accounting period close.
 - d. Maintain and balance the SAP labor and materials distribution process within the SAP General Ledger system. Prepare related monthly adjusting entries in the SAP General Ledger.
2. Revenue and receivables accounting services:
 - a. Record interface billing system files in the SAP General ledger.
 - b. Provide revenue and associated Accounts Receivable analysis.
 - c. Provide uncollectible analysis and uncollectible accounting accrual consistent with existing methodology.
 - d. Provide revenue related Balance Sheet account reconciliations, to the NNETO 45 days after the close of the accounting period.
3. Asset and inventory accounting services:
 - a. Perform monthly settlement process in SAP.
 - b. Book, review, monitor and maintain processes and systems necessary to record monthly assets additions, depreciation reserve and expense.
 - c. Process network retirements and transfers through the Central Office Engineering Property (COEP) interface and the VBuild interface into SAP.
 - d. Monitor the inventory activity and review unusual fluctuations.
 - e. Track/process retirements of land, building and support assets.
 - f. Process transfers of assets between locations or accounts.
 - g. Manage the recording of joint pole ownership activity.
 - h. Maintain required SAP tables.

- i. Process records for sales of assets.
- j. Prepare and analyze reserve exception reports.
- k. Prepare account reconciliations and identify required corrections for all in-service, under construction, inventory, and reserve accounts.
- l. Provide capital expenditure data.
- m. Materials and provisioning clearances.
- n. Review of suspended projects and Engineering Planned Order (EPO) clearances.
- o. Update theoretical reserve ratios.
- p. Pricing Outside Plant (OSP) asset records using the RUC process.
- q. Provide data required for Federal Tax and Property Tax reporting.
- r. Provide financial data for insurance valuation purposes.
- s. Prepare plant, reserve and depreciation ARMIS reports.
- t. Depreciation studies and required rate changes.

4. Cost accounting services:

Supplier will provide the cost accounting services listed below. All reports, data, regulatory filings and supporting documentations are limited to the NNETO Business operating in the States.

- a. Development of Part 64 and ARMIS reports for regulatory reporting to the Federal Communications Commission (FCC) and the NNETO regulatory accounting group for intrastate reporting
- b. Supplier will extract data from its then existing accounting systems and process Part 64 studies to develop regulated and non-regulated costs, using then existing methods and systems.
- c. Supplier will maintain Part 36, Part 69 and ARMIS system logic based on then existing FCC rules and regulations for the ARMIS 43-01, 43-03, 43-04, 492A, 495A and 495B reports.
- d. Supplier will process Part 64, Part 36 and Part 69 data through ARMIS logic.
- e. Supplier will prepare ARMIS 43-01, 43-03, 43-04, 492A, 495A and 495B reports and provide to NNETO for filing with the FCC.
- f. Supplier will provide standard intrastate output data to the NNETO regulatory accounting group for use in intrastate reporting.
- g. Suppliers will prepare the quarterly 499Q's and annual 499A report and provide to NNETO for filing with USAC.
- h. Supplier will prepare the annual NECA USF Data Collection Forms and supporting documentation and provide to NNETO for filing with NECA.
- i. Supplier will prepare the quarterly industry MOU Data and supporting documentation and provide to NNETO for input into the online NECA website.

5. Universal Service & School and Library Support Services
 - a. Supplier will develop file of supporting data for the Universal Service Fund regulatory reporting as required by the Federal Communications Commission (FCC) rules and Universal Service Administration Corporation (USAC) procedures. Supplier will process and file all data as required to monitor and process claims for the School and Library program administered by USAC.
 - b. Supplier will extract data from its legacy accounting and billing systems using existing methods & systems and prepare the following for submission:
 - I. Quarterly Wire Center Message Loop Filing - Provides quarterly wire center message loop counts for use in the FCC proxy model.
 - II. CALLS Interstate Access Filing - Provides quarterly access line counts used to determine Interstate Access Support.
 - III. FCC Form 477 Local Competition and Broadband Report filing.
 - c. Supplier will process the BEAR check reimbursement process for eligible schools and libraries in the States.
 - d. Supplier will invoice the Schools and Library Division ("SLD") to recover discounts for eligible telecom services provided to eligible schools and libraries in the States.
 - e. Supplier will gather and provide any additional data requested by the SLD to support invoices for reimbursement.
 - f. Supplier will file Form 497 to recover the Federal Lifeline/Link-Up support provided to eligible NNETO low-income Customers.
 - g. Supplier will develop the amount of the FUSF surcharge for recovery of amounts paid into USAC for federal universal service relative to the NNETO revenues.
 - h. Supplier will process and submit payments via NNETO account, and implement all necessary billing changes for the Federal and State surcharges, E911, TRS, and State Universal Service Funds.

ADDITIONAL REQUIREMENTS

1. Financial, asset and inventory accounting service requirements consist primarily of:
 - a. Buyers will not have direct access to any of Supplier's accounting or subsidiary ledger systems.
 - b. End financial statements will be the responsibility of the Buyers.
 - c. Any manual journal entries from the NNETO to be recorded in Supplier's accounting system shall be provided to Supplier in accordance with Supplier's existing closing schedule. NNETO will maintain all supporting documentation of manual journal entries.
2. Cost accounting service requirements:
 - a. NNETO will provide Supplier with information and data required for Supplier to perform the services described above.
 - b. NNETO will file its own Cost Allocation Manual (CAM) with the FCC. The NNETO' CAM shall be the same as the Supplier's most recent version filed with the FCC. Failure to file the same CAM will result in the termination of the accounting services.

NOTE: These services are provided only for the local exchange telephone business of NNETO, and do not provide any transition support to any other portions of the Spinco Business.

CORP.HR.1 Employee Services

DESCRIPTION

Supplier will process and input changes for NNETO Employees into the payroll system, consisting primarily of the following transactions related to hiring, terminations, or internal movement and changes:

Associate Banked Vacation Maintenance	Company Transfer
Date of Birth Change	Date of Death Change
Death	Demotion (pay or job title change)
Dismissal	Employee Reclassification
General Wage Increase	Home Address Change
Lateral (pay or job title change)	Leave of Absence
Mail Drop Change	Merits
Name Change	New Hire
Pay Rate Change	Progressive Wage Increase
Promotion	Rehire
Resignation	Return from Leave
Scheduled Hours Change	Termination
TPA	Union Dues Maintenance
VIP	Work location Change
Work phone Change	
Department ID Change	
Education	
Emergency Contact change	
Gender/Ethnic Change	

ADDITIONAL REQUIREMENTS

NNETO is responsible for providing all information and data required for Supplier to perform the Employee Service Center services listed above.

CORP.HR.2 Compensation Administration

DESCRIPTION

Supplier will provide the following five (5) compensation related services to Buyers to enable the development of a competitive compensation program:

A. Job Classification Program

Supplier will continue to provide support to Buyers for Job Classification needs including existing and new positions. These include Job Descriptions, Job Evaluations and Job Code/Pay Range Assignment. Supplier shall:

1. Accept new job codes and pay ranges and enter them into tables.
2. Post profiles to Career System.
3. Maintain all Job Code/Pay Range tables in existing system.

B. Marketing Pricing Program

Supplier will continue to provide support to Buyers for benchmarking competitive market practices thru salary survey participation and development of pay ranges. Supplier shall continue to partner with Buyers Compensation for the development of Buyers -specific Sales pay ranges. Supplier shall:

1. Provide the 2008 General Management/Executive pay ranges (Bands 5V and below, All Pay Areas) to Buyers by mid December 2007.
2. Provide on an ad hoc basis - market data for new jobs created in their organization.
3. Load Buyers Sales Position ranges into appropriate systems (PeopleSoft/MCPS/VerizonCareer).

C. MCPS - Performance Assessments/ Annual Salary Planning Programs (Merit And Sti/Vip)

Supplier will continue to allow Buyers use of the MCPS System for the planning and administration of Buyers 2008 Salary Planning Programs. Supplier shall:

1. Provide Executive and General Management 2008 merit planning schedule and process information to Buyers.
2. Load/Refresh Buyers Employee Data and hierarchy data in MCPS.
3. Grant security access to Field Users for performance rating and merit increase/STI planning.
4. Grant security full-range access to Buyers Compensation for analysis, reporting, and pay administration.
5. Provide a modeling template loaded with Buyers employee data for Buyers modeling.
6. Load Buyers sales MRRs into appropriate systems.

7. Load merit/STI matrices into MCPS system.
8. Provide MCPS System training to Buyers.
9. Include Buyers compensation in the CPOC (Compensation Point of Contact) sessions.
10. Provide Supplier 2008 communication material to Buyers.
11. Provide employee communication sheets either through the portal or MCPS.
12. Provide data input file to payroll for processing.

D. Discretionary Awards (DRAS) (Executive/General Management)

Supplier shall continue to allow Buyers to use the PeopleSoft HR module for processing Discretionary Awards. Supplier shall

1. Maintain VRS system and business rules (eligibility; maximum annual awards)..
2. Provide Buyers access to DRA Award data for Buyers transactions.
3. Load budget.
4. Feed DRA awards to payroll.
5. Ad hoc administrative support to answer Buyers compensation analyst questions, investigate issues, etc. about Buyers data or employees.

E. Compensation - General Management

As described more fully below, Supplier will continue to provide support to Buyers for all system(s) administration of negotiated labor agreements. PeopleSoft (or equivalent) wage tables, progression and general increase administration, annual performance bonus payouts, (e.g. CPS) and related current and historical payroll transactions. Supplier shall provide the following in regards to the Corporate Profit Sharing (CPS):

1. Provide the Eligibility and Leave of Absence (LOA) files of all CPS eligible associates to Buyers for review. The Eligibility files are provided in separate excel spreadsheets in December and one excel file for LOA in January.
2. "Fallout Report" - Supplier will provide a "Fallout," or error, report for Buyers to review any associates who may not have loaded correctly. Corrections will be coordinated through the Compensation Delivery team.
3. Provide CPS Buyers payout accuracy reports for the Buyers team to review for payout accuracy, etc.
4. Ad hoc administrative support to answer questions, investigate issues etc. to Buyers compensation team regarding system manipulation of Buyers data and employees.

ADDITIONAL REQUIREMENTS

A. Job Classification Program

Buyers shall:

1. Write and evaluate new Buyers' position descriptions.
2. Determine appropriate Pay Band, Pay Range, and Pay Area.
3. Complete and forward required documentation to Supplier for new job code assignment.

B. Marketing Pricing Program

1. Buyers shall provide pay ranges for Buyers' sales positions in accordance with required Supplier system update deadlines.

C. MCPS - Performance Assessments/ Annual Salary Planning Programs (Merit and STI.

Buyers shall:

1. Provide merit matrix based on Supplier timelines for MCPS system.
2. Provide business unit rating for Short Term Incentive (STI) awards.
3. Data verification/clean up before spin (hierarchy; job code, pay area, status, etc).
4. Follow Supplier timelines, processes and procedures for Executive salary planning and for General Management salary planning.
5. Make manual changes to employee data in MCPS.
6. Provide Supplier names of Business Partners and Compensation employees to have access to MCPS.

D. Discretionary Awards (DRAS) (Executive/General Management)

Buyers shall:

1. Define budget.
2. Process individual DRAS thru the existing VRS (Verizon Recognition System) module.
3. Ensure OSS hierarchy is maintained.
4. Track organization budget against employee awards.

E. Compensation - General Management

Buyers shall:

1. Review the Eligibility and Leave of Absence files and determine the appropriate award amounts. Buyers will need to provide the 6 Eligibility files back to Supplier in the appropriate format for loading into the CPS system.
2. Participate on Communication time council meetings.
3. Identify and determine any award amounts for any manual exceptions.
4. Communicate CPS program with Employees and answer Employee questions. Wage Tables, Progression and General Increase Administration:

ADDITIONAL REQUIREMENTS

Buyers must enter into vendor contracts with each vendor identified in this Schedule A. Failure to have all vendor relationships effective on the Closing Date of the Merger may result in discontinuance of Schedule A services. Any change in vendors or vendor services during the term of Schedule A services may result in either discontinuation of Schedule C Services or additional charges for services rendered to develop and maintain new vendor data feeds of electronic interfaces. Charges for services of these vendors will be billed directly to Buyers.

CORP.HR.3 Leaves Of Absence Administration

DESCRIPTION

Verizon's Absence Administration Department monitors and manages all Leaves of Absences (LOAs)

Supplier shall::

1. Process all absences for FMLA potential application.
2. Send appropriate initial letters and forms to employees.
3. Review all FMLA Certification Form submissions per DOL regulations.
4. Process all Administrative Reviews (employee appeals).
5. Research and answer all union escalations.
6. Research and answer all DOL complaints.
7. Research Suspicious Patterns of Absence (SPOA) escalations from field and require employees to recertify if appropriate.
8. Provide communications to both employees at home and supervisor/absence administrator via email.
9. System service monitoring of outages.
10. Manage integration between FMLA team and WC/Disability Vendor (MetLife).
11. Track and manage employee's exceeding frequency and duration (including notifying employees of recertification process).
12. Consult with and provide information to Buyers or Supplier (HR, Labor Relations / Legal) on exception complaints, claims, and appeals.
13. Other LOA management:
 - a. Process all LOA requests.
 - b. Provide communications to both employee at home and supervisor/absence administrator via email regarding status of leave.
 - c. Track all LOA requests.
 - d. Research and answer all employee/union escalations.
 - e. Consult with Corporate Benefits Design and Strategy about specific case interpretation and changes to LOA design (especially Military Leave).
 - f. Consult with and provide information to Buyers (HR, Labor Relations/Legal) on exception complaints, claims, and appeals.
14. AMTS (Absence Management Tracking System):
 - a. AMTS to continue to have canned absence reports for use by Buyers.
 - b. AMTS feeds information to FMLA/LOA teams.

- c. AMTS will track frequency/duration of FMLA absences and provide alerts to field management.
- d. AMTS will provide current attendance control plan support to field including discussion notes.

ADDITIONAL REQUIREMENTS

Buyers' responsibility shall include:

1. Employees are responsible to report their absence/tardy to their supervisor or team absence coordinator.
2. Supervisor or team absence coordinator, must input absence/tardy into AMTS on first day of absence.
3. Supervisor or team absence coordinator must also input any "discussions" into AMTS.
4. Employee must complete required FMLA form in the timeframe provided to be considered for this leave.
5. Employee responsible to apply for other leaves available from company.
6. Employee management to review LOA requests and submit to Absence Administration leave of absence coordinators.
7. Buyers will be responsible to follow any new processes/systems implemented by Supplier.
8. Buyers will be responsible to communicate any new processes/systems implemented by Supplier.
9. Vendor selected by Buyers to perform Worker's Compensation (WC) duties will send weekly report to Verizon West FMLA team of any new WC claims. The Supplier FMLA team in turn will approve concurrent FMLA if :
 - a. Cases fall within 39 days from the first date of absence.
 - b. Employee is administratively eligible;
 - c. Employee has unused FMLA time remaining.

CORP.HR.4 Disability Administration

DESCRIPTION

Supplier shall monitor and manage all disability claims (STD/LTD) for Buyers' Employees. The Absence Administration team manages and monitors the current Plan administrator, MetLife.

Supplier shall provide the following administration services:

Short Term Disability (STD)

1. Open claims based on input from employees, their proxies or their field management.
2. Determine eligibility of employees to apply for STD (based on plan provisions, employee participation, and union contracts).
3. Reach out to eligible employees and their treating providers to obtain medical data.
4. Review all medical provided by employees and their treating health care providers.
5. Provide "advice to pay" to Supplier payroll for all claims that are approved for STD.
6. Meet performance expectations as stated in MetLife contract.
7. Provide timely and accurate communication on claim adjudication to impacted employees and their field management.
8. Participate in quarterly performance meetings with Verizon Absence Administration and Corporate Benefits Design and Strategy teams.
9. Provide quarterly trend analysis/reports for things such as: ICD-9 codes, duration of claims, ages of ppt, geographic locations etc.
10. Handle and respond to all Buyers or Supplier escalations (from ee's/supervisors/LR/unions and Legal).
11. Partner with Supplier/Buyers to support Fraud Process.
 - a. Conduct surveillance as needed.
 - b. Track SIU costs/savings.
12. Provide ad hoc reports.
13. Provide Supplier Legal/Labor Relations support for claims litigations or union arbitrations.
14. Provide Buyers Legal/Labor Relations support for claims litigations or union arbitrations.
15. Partner with selected Buyers Worker's Compensation Vendor for the following:
 - a. WC determines "accident disability vs. sickness disability" under the SADBPs plans (this decision is made when WC compensability is being made) .
 - b. WC then sends this determination to the disability vendor, MetLife (so MetLife treats claim appropriately under the SADBPs definitions).
 - c. WC and MetLife share Independent Medical Exam (IME) information with each other (as well as other medical information/surveillance tapes & reports etc.).

- d. WC determines if current claims need to be changed from "accident" to "sickness" delineation, and if so works with SUPPLIER Absence Administration and appropriate Legal department to craft a letter to go to the employee.
 - e. WC works with SUPPLIER Absence Administration to determine payroll discrepancies for employees receiving both WC and Disability payments.
16. Provide medical records to Unival and MCN for bargained for dispute processes.
 17. Provide update on STD approvals to FMLA team.
 18. Support Claims Review Committee (CRC) by providing medical records and consultation as needed.
 19. Partner with selected Buyers Occupational Health Vendor for the following:
 - a. If Threats of Violence are called into Occupational Health for an active STD claim in which an employee is on restrictions or MetLife is in process of returning employee back to work, MetLife may be contacted to schedule a Fitness for Duty (FFD).
 - b. Additionally, when an employee is sent home from work due to behavior which is believed to demonstrate mental disability (in the judgment of Occupational Health and/or MetLife), the employee can be certified for disability benefits for a short period of time (small increments, up to about 4 weeks) while it is determined whether the employee is under treatment, or getting the employee into treatment. In such cases, it will be Buyers (the supervisor or Occ Health) that initiates the claim, since the employee is denying disability and we have a good faith basis that the employee is disabled. During this period MetLife will work with Occupational Health/Verizon Absence Admin/Mgt Team to contact appropriate parties (Union, family member, health care provider) to initiate treatment. If, after this period of time, the employee does not seek treatment or otherwise become certified for benefits, and cannot demonstrate that he/she is able to return to the workplace, Buyers will make a determination regarding employment status.

Long Term Disability (LTD)

1. Receive Feed from Hewitt regarding eligible LTD participants.
2. Use eligibility feed to determine which employees on STD are able to apply for LTD.
3. Contact employees to apply for LTD at the appropriate time per process/plan.
4. Ensure that all medical provided by employees and their treating health care providers meets criteria for LTD per plan language.
5. Calculate appropriate LTD payments including all appropriate offsets (i.e., WC, Pension Disability, SSDI).
6. Receive data feed from Buyers selected vendor on WC payments made to employees.
7. Meet Supplier performance expectations as stated in contract.
8. Provide timely and accurate communication on claim adjudication to impacted employees and their field management.
9. Participate in quarterly performance meetings with Supplier Absence Administration and Corporate Benefits Design and Strategy teams.

10. Provide quarterly trend analysis/reports for things such as: ICD-9 codes, ages of ppt, geographic locations etc.).
11. Partner with Buyers and Supplier to support Fraud Process.
 - a. Conduct surveillance as needed.
 - b. Track SIU costs/savings.
12. Provide Ad Hoc reports.
13. Provide Buyers and Supplier's Legal/Labor Relations support for claims litigations or union arbitrations.
14. Workers Compensation Vendor and MetLife share Independent Medical Exam (IME) information with each other (as well as other medical information/surveillance tapes & reports etc.).

ADDITIONAL REQUIREMENTS

Buyers are responsible to:

The responsibilities of the Buyers will remain as they are today. Those responsibilities include, but are not limited to:

1. Employees shall report STD claims on a timely basis (no later than eight (8) calendar days from the start of an absence or per union contract).
2. Management/Supervisors provide a cooperative effort to return employees to work.
3. Provide MetLife any pertinent information about the employee's job duties or any observed concerns (i.e., employee seen riding a roller coaster while supposedly too ill to work their sedentary job).
4. Complete Fraud Summary as appropriate.
5. Provide POC in Buyers Security to handle Fraud complaints.
6. Establish cost center for all STD/LTD related costs (i.e., per participant fees, monthly claims management, Independent medical exams).
7. Determine if specific quarterly or ongoing disability reports are required for Buyers; this would need to be added to contracts with current disability vendors and costs negotiated.
8. Determine if participation in quarterly performance reviews is required.
9. Determine if Buyers Legal or Verizon Legal to handle current disability related arbitration/lawsuits.
10. Buyers is responsible for disability statutory filings.

Supplier is responsible to:

1. Manage Disability Vendor:
 - a. Define/Approve Change to SOW/contract as needed.

- b. Respond to Vendor inquiries.
 - c. Verify and process vendor invoices.
 - d. Investigate and respond to employee/union/field escalations.
 - e. Conduct vendor performance reviews.
 - f. Monitor vendor processes.
 - g. Customer service monitoring (e.g. system network, outages).
 - h. Manage integration between vendors (Hewitt /Metlife, Metlife/Sedgewick).
 - i. Work with Corporate Sourcing to ensure financial agreements/penalties are paid timely per contract.
 - j. Ensure vendor handles fraud cases appropriately.
2. Ensure process for DFCE/DIME and TMO are followed (per union contract). Costs to be borne by Buyers.
 3. Partner with Field, LR, Legal, Security, BPs and vendor on fraud process.
 4. Consult with Corporate Benefits Design and Strategy related to changes in Benefits Plan Design/Interpretation of past and current plan design/Trends/Issues.
 5. Consult with Corporate Benefits Design and Strategy on OCI data/reports.
 6. Consult with Buyers or Supplier (HR, Labor Relations/Legal) on exception complaints, claims, and appeals.
 7. Consult with Buyers as needed on administrative plan interpretations, administrative changes, historical practices in STD administration and resolution of escalated participant issues.
 8. Provide data research/trend analysis, normally billed to Supplier disability trust, if requested. If this service is provided post close, this will be billed directly to Buyers.
 9. Consult with Buyers on all escalated Fraud cases, as surveillance costs will be borne by Buyers.
 10. Handle record requests for Buyers and Verizon Labor and Legal.

CORP.REG.1 Regulatory Accounting

NOTE: This service is provided only for the local exchange telephone business of NNETO, and does not provide any transition support to any other portions of the Spinco Business.

DESCRIPTION

Supplier shall prepare monthly, quarterly and annual reports that are submitted to the Maine and New Hampshire Public Utilities Commissions and the Vermont Public Service Board provided that such reports are due within the Transition Period. For those reporting periods that extend beyond the term of the Transition Services, the Supplier will provide the data necessary for NNETO to complete the reports. NNETO shall be responsible to consolidate the data and file the reports.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

CORP.REG.2 Tariffs Support

NOTE: This service is provided only for the local exchange telephone business of NNETO, and does not provide any transition support to any other portions of the Spinco Business.

DESCRIPTION

1. Supplier will prepare for submission to the Public Utilities Commission the tariff pages for each of the States as reasonably requested by NNETO for each of its requested tariff filings, including any special tariff filings, provided that such filings do not vary materially in number or complexity from the then existing monthly filings. Supplier will assist NNETO in the development of tariff filings and supporting correspondence to meet each of the States' requirements.
2. Supplier will provide electronic distribution of tariff filings upon notification from NNETO that the tariff is effective.
3. This service excludes the posting of tariffs or tariff filings on the Supplier's intranet or internet website during the transition period.
4. Supplier will analyze the service description and provide NNETO with an estimated completion date.
5. Supplier will develop and complete tariff filings based on the detailed service description delivered to Supplier by NNETO.
6. Supplier will work with the NNETO' regulatory and legal department to finalize the tariff filing.
7. Supplier will provide NNETO with a completed filing for submission to each of the States' Public Utilities Commission by NNETO.
8. Upon reasonable notice from NNETO, Supplier will distribute effective tariffs to distribution list of internal Employees established by NNETO.
9. Supplier will execute a simple name change in accordance with the tariffs as part of this service (e.g., Supplier will change the name on the tariff pages from the Supplier to the NNETO as tariff filings are made). Moderate and Complex name change requests are not offered in this service.
10. Supplier will provide NNETO copies of effective tariffs at the close of sale and at the end of the transition period.

ADDITIONAL REQUIREMENTS

1. NNETO will provide Supplier with a detailed service description, rate elements and the requested effective date.
2. NNETO will review draft tariff filings and provide any changes to the Supplier in order to finalize the tariff filing.
3. NNETO will advise Supplier of tariff file and effective dates.

4. NNETO will be responsible for the posting of tariffs and tariff filings to its intranet and/or internet websites.
5. NNETO will be responsible for the content of all tariff filings.

CORP.TAX.1 Transaction Tax Preparation Services

NOTE: This service is provided only for the local exchange telephone business of NNETO, and does not provide any transition support to any other portions of the Spinco Business.

DESCRIPTION

Supplier will perform transaction tax compliance and tax accounting services on behalf of NNETO for the regulated wireline business in the States on a monthly basis. The Supplier will:

1. Review Use Tax report.
2. Use the income statement to prepare the monthly General Excise Tax return on the last day of each month.
3. Request NNETO to make a monthly payment on the 10th of each month for the Public Service Company tax.
4. Prepare annual General Excise Tax and Public Service Company Tax Return.
5. Mail the returns to the state timely.
6. Request wire transfers from NNETO to pay the appropriate state.
7. Request wire transfers from NNETO to pay the IRS.
8. Prepare federal excise tax returns quarterly.
9. Supplier will work with the NNETO to clear up any denial of tax clearances.
10. Supplier will perform account reconciliations.
11. Supplier will request any stop payments, credits or refunds related to the tax returns.

ADDITIONAL REQUIREMENTS

1. Supplier shall not be obligated to make any payments on behalf of NNETO.
2. NNETO shall forward all tax-related correspondence to the Supplier Tax department at: One Verizon Way, VC 53 3 229, Basking Ridge, NJ 07920.
3. NNETO shall obtain all new exemption certificates from its exempt Customers made out to NNETO.
4. NNETO shall provide new tax exempt certificates to its new vendors.
5. NNETO shall provide Supplier with Power of Attorney to sign returns and handle other matters associated with the transaction tax returns.
6. NNETO shall provide state sales tax registration information as reasonable requested.

CORP.TAX.2 Property Tax Accounting Services

NOTE: This service is provided only for the local exchange telephone business of NNETO, and does not provide any transition support to any other portions of the Spinco Business.

DESCRIPTION

Supplier shall:

1. Receive and process all property tax invoices that have been previously approved by the designated NNETO manager and mailed to the Supplier's Tax Department in Coppell, Texas. Generally, property tax bills are due in the States at various times throughout the year, depending on jurisdiction. In addition, invoices are sent by state assessment officials for centrally-assessed property in Maine and Vermont, and are due, by statute, at various due dates.
2. File property tax returns in States, both at the local assessor and state assessor level, as required by statute or administrative practice.
3. Perform other property tax accounting services, primarily consisting of monthly accruals to NNETO books, Account Reconciliations and Accrual Analyses.
4. Provide a summary of property taxes to NNETO for NNETO' payment to the various States' counties.
5. The scope of this service is limited to the Owned Real Property of the Local Exchange Carrier business of NNETO.
6. Supplier will perform related account reconciliations.
7. Supplier will request any stop payments, credits or refunds related to the tax returns.
8. Supplier will work with NNETO to clear up any denial of tax clearances.
9. Supplier shall not be obligated to make any payments or disbursements on behalf of NNETO.

ADDITIONAL REQUIREMENTS

1. NNETO shall forward all tax-related correspondence to the Supplier Tax department at: P.O. Box 152206, Irving, TX 75015-2206 or by physical address of 750 Canyon Drive, Mailcode SV1E5042, Coppell, TX 75019.

CORP.FIN.1 Local Interconnection Billing Operations (LIBO)

DESCRIPTION

Intercarrier Compensation represents charges Competitive Local Exchange Carriers (CLECs) bill Buyers for termination of calls that Buyers Customers make to CLEC customers. These charges reflect usage activity (the number of calls terminated) and facility activity (Buyers' use of the CLEC's facilities to terminate a call). Intercarrier Compensation charges represent the opposite of the local and access charges Buyers bill CLECs for usage and facility activity on Buyers' network.

Supplier will provide the following payable/claims management services:

1. Receive and enter invoices into the Reciprocal Compensation Database Application (RCDA).
2. Validate billing records.
3. Review billed rates against applicable tariffs or contracts - dispute as required.
4. Review billed quantities against Traffic Track, where available.
5. Monitor applicable tariffs, Interconnection Agreements (ICAs), and settlement agreements to ensure proper billing is being made.
6. Process invoices for payment mechanically through the Accounts Payable system.
7. Send dispute letters to CLEC as appropriate on behalf of Buyers.
8. Reconcile payments made by Buyers to those posted on CLECs invoices.
9. Work with CLECs to resolve open disputes where possible.
10. Assist Buyers with ongoing management of open disputes where appropriate.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

CORP.FIN.2 Independent Telephone Company Settlement (ITCS) Process Services

DESCRIPTION

Supplier shall provide inter-company net settlement services between existing Incumbent Local Exchanges Carriers (ILECs), commonly referred to as Independent Telephone Companies (ITCs), and Buyers. The monthly settlement process is foremost a manual system where the majority of the ITCs submit reports to Supplier. These reports are combined with internal data and used to develop monthly settlement statement and back-up documents. Services are performed jointly with the Customer Billing Operations (CBO) group. The Supplier will:

1. Process billed toll revenues (ITC originating direct dialed toll, operator handled and "800" type services) and special access charges and terminating switched access charges due to Buyers and switched and special access charges and B&C charges due the ITCs.
2. Process miscellaneous settlement billing and payment processes consisting primarily of local (Extended Area Service), Live Source services (Call Completion and Directory Assistance), and mandated service payments such as "500" interconnection services in Maine, and E911 payments.
3. Coordinate the Default Carrier Plan (DCP), which is used by the majority of the ITCs in the three states. The ITCs record, rate, bill, collect and remit to Buyers billed toll revenues for customers pre-selected to Buyers as their Intrastate (IntraLATA) toll provider.
4. Coordinate the ITCs that operate under Originating Responsibility Plan (ORP) where the ITCs act as the default toll carrier. The ITCs report both originating and terminating traffic to Buyers that is used to determine terminating switched access charges due to each party.
5. In addition, the inputs of call completion and directory assistance usage and charges are provided and developed into a billing statement via spreadsheets. Billing is provided by the Settlements group via linked spreadsheets on a monthly basis.
6. Other specialized or mandated payment or billing functions are provided by Settlements to the CBO to either bill or pay the ITCs or to post the appropriate journal entries.
7. Manage the Meet Point Billing (MPB) contract to insure that the Supplier receives the 3rd party billing services to bill Interexchange Carriers for MPB. Reports are developed by the vendor and used by the CBO to post the appropriate journal entries.
8. Supplier also provides all the ITCs with CAT 1101 and retail records on either a weekly or monthly basis via cartridge, CD or NDM (electronic) format.
9. ITC Settlements Group will continue to collect data from the ITCs with the objective that the monthly processing of the inter-company statements is not compromised.

ADDITIONAL REQUIREMENTS

1. Buyers will make payments to the ITCs when monthly net settlement statements indicate that such payments are due. Buyers will accept payments when the net settlement statements indicate that such payments are expected from the ITCs unless other arrangements are made.

2. Buyers are responsible to negotiate their own agreement with the MPB billing vendor. The estimated cost of the vendor is approximately \$7,000 per month.
3. Buyers will assume responsibility of interfacing with the MPB billing vendor (NYAB) to ensure billing and payments are collected from MPB customers and will adhere to the existing agreement for providing such services after the sale is completed.

CORP.FIN.3 Billing & Collection Operational And Settlement Process Services

DESCRIPTION

Supplier will perform Billing and Collection (B&C) services on behalf of Interexchange Carriers and other Service Providers (B&C Customers) under Billing Service Agreements (BSA), more commonly known as a B&C Agreement.

Note: If any B&C Customer does NOT concur with Supplier performing B&C billing activity on behalf of the Buyers, such Customer may elect to take back its end-user client base and bill the end-users directly.

1. Supplier will accept and process billing records from the Buyers' B&C Customers on behalf of Buyers.
2. Supplier will support the terms and conditions as described in the Buyers' BSA. Such terms and conditions must mirror the terms and conditions that are contained in the Supplier BSAs to the extent that the terms and conditions will affect the Supplier's processes in Supplier's opinion.
3. Supplier will provide Accounts Receivable (PAR) Settlement services which include:
 - a. Balancing/reconciling PAR settlement data.
 - b. Calculating, producing and mailing monthly or cyclic PAR Settlement statements and supporting reports to the B&C Customers as required by each BSA.
 - c. Calculating PAR payment dates.
4. Supplier will provide Ancillary Billing services:
 - d. Balancing and validating Ancillary billing data.
 - e. Calculating, producing, and mailing monthly Ancillary Bills.
5. Supplier will provide Accounting services which include:
 - f. Receiving and posting B&C Customer payments.
 - g. Journalizing Ancillary/B&C revenues and receivables.
 - h. Performing treatment/collection activities.
6. Supplier will have no responsibility to make any payments or disbursements on behalf of the Buyers.

ADDITIONAL REQUIREMENTS

1. Buyers are responsible to negotiate their own BSAs
2. Supplier is under no obligation to provide any custom reports or software.
3. Buyers will make a wire payment to B&C Customers, when necessary, for the purchase of accounts receivable under the Terms and Conditions of the BSAs.
4. Buyers are responsible for late payment charges associated with PAR payment.
5. Buyers will not change any Terms, Conditions, or Rates as specified in Supplier's BSAs.

ENG.COE.1 Message Trunk Network Services and Provisioning

DESCRIPTION

Supplier's Trunk Capacity Management group is responsible for the configuration, sizing and administration of the message trunk network within economic limitations. It is responsible to forecast current and future demands ensuring objective service levels are met in the most economically efficient manner. It is responsible to create routing plans and manage traffic patterns by issuing detailed network routing instructions to operational organizations. The Supplier will:

1. Provide trunk servicing including configuration, sizing and administration of the message trunk network.
2. Provide trunk forecasting to evaluate current activity combined with future demands.
3. Create routing plans and manage traffic patterns by issuing detailed network routing instructions to operational organizations.
4. Provide interconnection provisioning for CLECs, IXCs and wireless Customer requests.
5. Provide PRI provisioning by assigning and reserving capacity for Customer requests for PRI service.
6. The Supplier will issue monthly reports as required including (1) Trunk Administrative Measurement Plan results, (2) FCC 271 Metrics, Common Transport Service, (4) PUC E911 reports and (5) the Annual ARMIS 43-05 table III.
7. Provide Buyers the Network Routing Instructions issued to software provisioning for development of software packets loaded into the switches for traffic routing.
8. Issue work authorizations for network trunk augments, disconnects and rearrangements.

ADDITIONAL REQUIREMENTS

1. The Buyers will provide contact and escalation names as required.

ENG.COE.2 Central Office Equipment Procurement and Design

DESCRIPTION

Supplier will provide central office engineering services to the Buyers to increase capacities of Buyers' central office facilities. Center Engineering shall design the necessary work and provide the estimates of the specific tasks and equipment necessary to complete the project. These tasks include the creation of Telephone Equipment Orders (TEO), the analysis of vendor contracts, the interpretation of site survey notes, and the validation and reconciliation of capital and expense budgets at the job level.

Field Engineering coordinates site surveys with turf vendor engineering companies and equipment installation with Network Operations personnel; analyzes equipment schematics and drawings; interprets site survey notes; verifies equipment installation specifications; manages material; orchestrates job schedules; validates Firm Price Quotes (FPQ); manages job specific capital and expense expenditures.

Supplier will offer these services Monday through Friday from 8:00 am to 5:00 pm Eastern Time.

ADDITIONAL REQUIREMENTS

1. Supplier shall provide Buyers a contact list of Center Engineering personnel.
2. Buyers shall provide a contact and escalation list to Supplier.

ENG.COE.3 Customer Network Engineering

DESCRIPTION

Supplier shall provide customer network engineering (CNE) support services as these services relate to customer network design, Collocation, and Remote Test Access (RTA). These services are provided to the CLECs in the States.

1. The Supplier CNE team shall support the design of customer networks requests that are entered via a Creation Capacity Request (CCP) into the CBS/CNE database. CNE will interface with the Outside Plant Planning and the Interoffice Facilities engineering teams to design a customer network that meets the specific customer specifications and/or tariff requirements. The Supplier will design the customer network and identify construction cost, facility issues, or diversity violations that could impact the design. CNE also provides estimated costs for installation of the customer designed network.
2. The Collocation services would support the planning and implementation of the collocation network. The services shall consist of the issuance of CCPs to authorize the purchase of equipment that will interface with the CLEC. The Supplier will also project manage the installation/test/turn-up of the equipment. Supplier shall complete the necessary inputs into CBS/CNE, TIRKS and CCP to insure correct billing and inventory information. All CLEC related issues and/or questions related to the Central Office would be handled by through the Supplier's Collocation Services. This work would be done using standard regulatory intervals.
3. The RTA services shall support the Planning of the Remote Test Access Network. The service would include the issuance of CCRs to authorize the purchase/installation of equipment. The service shall also provide for the capacity management of the DS1 test access network. The capacity management is provided through the access and monitoring of DS1 test port availability in TIRKS.
4. All of the work described shall be completed using standard regulatory intervals that are designed to insure regulatory equality.

ADDITIONAL REQUIREMENTS

1. Buyers must issue customer network design requests through then existing Supplier systems for customer network requests (CBS/CNE system).
2. Buyers must enter CLEC collocation requests through existing Supplier system (CBS/CNE)
3. Buyers must request any additional Remote Test Access equipment through the Supplier's RTA engineer.

ENG.COE.4 Switch, Tandem, And Voice Messaging Engineering And Planning

DESCRIPTION

The Supplier will provide local switch, tandem and voice message engineering and capacity management consultation services for the central offices located in the States. These consultation services consist primarily of technical support required for the planning and design of engineering recommendations and for the capacity management of the switching infrastructure related to the local, tandem and voice mail networks. The service Includes support for new products and technologies, network growth, modernization and reliability, equipment removal, regulatory mandates and direct customer requests. The Supplier will perform these services Monday through Friday from 8:00AM to 5:00PM eastern time.

ADDITIONAL REQUIREMENTS

1. The Buyers will provide contact lists for all necessary personnel
2. The Buyers must be prepared to accept, review and take action on all Capacity Creation Requests (CCR).

ENG.COE.5 Miscellaneous Engineering Support Services

DESCRIPTION

The Supplier will provide Buyers with the following COE support services.

1. Project Management

Supplier will provide local Project Management services for the States' central offices, consisting primarily of support for CO based infrastructure projects, consisting primarily of DSL Held Orders, Voice Mail, and DCS installations.

2. Trunk Integrated Record Keeping System (TIRKS)

Supplier will build, update, and maintain the TIRKS Inventory System for central office, remote site, and customer premise network equipment. Once equipment has been accepted by Operations, the assigners will build the inventory into TIRKS for the hardwired and plug-in equipment so that circuits can be provisioned.

Supplier will provide Buyers with TIRKS inventory builds when requested via an equipment inventory update or an E1 request via capacity creation process.

3. Drafting Services

Supplier will provide Buyers with drafting services to maintain up-to-date central office drawings and electronic storage of such drawings. Maintenance will consist primarily of the verification that during the equipment installation process Supplier's drafting standards are being maintained by engineers of the Buyers or 3rd party engineering vendors. Once verified, drawings will be entered into permanent storage. New drawings will be issued upon request. Drafting services for special projects may be requested at additional cost..

Drawings received for verification will generally be reviewed and stored within 30 days. New drawing requests will be addressed within 24 hours.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

ENG.INV.1 Miscellaneous Engineering Inventory Services

DESCRIPTION

Supplier shall provide the following inventory management services to Buyers necessary to manage the network infrastructure:

1. Code Administration and Telephone Number Forecasting. Supplier shall manage NXX code/block functions with NeuStar via updates to the Telcordia LERG, manage code/block administration for CLEC activity, and provide necessary customer and regulatory reporting as required. The forecasting functions are required to meet FCC requirements for telephone number utilization. Service would include the processing and filing of Number Resource Utilization Forecast Reports.
2. Regional Inventory Management (RIM). Supplier shall perform asset verification of physical Network Operations assets including field plug in accuracy. Supplier will also monitor the field spare levels so that the network service levels will be maintained. Hours of operation for the RIM are Monday through Friday from 8:00 am to 5:00 pm Eastern Time.
3. Traffic Capacity Management (TCM). Supplier shall manage the traffic data and performs switch performance monitoring functions for the Buyers' end Customers. TCM receives and responds to requests for data from the Supplier's various engineering, operations, and telephone number administration department. TCM performs the switch performance functions in response to service issues affecting the Buyers' end Customers.
4. Network Engineering and Planning 5ESS capacity engineering reports. Supplier shall provide such existing reports, which shall be updated through a series of data extracting processes from the Buyers' 5ESS switches. These reports are provided via web access resulting in 24 X 7 availability.

REQUIREMENTS

1. Buyers will provide a contact and escalation list to the suppliers.
2. Buyers will provide all necessary security passwords as required to access systems and data.
3. Buyers will provide direction regarding switch upgrades, tandem changes, waivers and emergency notification. Activity will be coordinated with Buyers' site personnel.
4. Buyers will maintain then existing supplier Access Guardian connections to each 5ESS switch.

ENG.INV.2 Engineering Systems Support Services

DESCRIPTION

The Supplier will provide Buyers with administrative and systems support for systems supporting the engineering inventory functions in the States.

This support shall include systems access management, systems monitoring, problem identification and resolution management, analysis and referral, further tier I and tier II support where performed today. The activities also include the database maintenance, and other existing support.

The systems included in this service are listed below:

1. TDMS – Traffic Data Management System
2. CCP – Capacity Creation Process
3. COEP – Central Office Equipment Property
4. PICSNET – Plug In card Ordering System
5. VENUe – Verizon Engineering Network Utilities
6. BARCODE Compliance / Lost Inventory reports
7. NTAS – National TN and Address System
8. NTAGWeb – National TN / Address gateway web
9. SWITCH – line and trunk inventory and assignment
10. FOMS – Frame Operation Management System
11. BACKSTOP – OSP service order and maintenance problem reporting
12. REACH – Regionall Engineering Access to Construction Hours
13. ECRIS – Engineering and Contstruction Records Information system
14. LEIS – Loop Engineering Information System
15. PRS – Pole Records System
16. ICGS / IDDS – Integrated Computer Graphics / Integrated Distribution Data System
17. OPERA – OSP Engineering Resource Administration
18. XSOG – Express Service Order Generator
19. BASE – Bell Atlantic Standard Editor – broadband orders
20. SOM – Service Order Manager
21. LCCG – Line Class Code Generator

REQUIREMENTS

1. Buyers will issue all security passwords and access codes necessary to allow Supplier access to the property records database.
2. Buyers will be responsible for all costs/fees for hardware, software upgrades, or on-site visits that may be required by technicians resulting from work order-monitoring actions.
3. Buyers will be responsible for resolving all client end access issues (correct browser version and settings, network access, training, certification of end users).

4. Buyers will be responsible for all hardware support and maintenance agreements.
5. Buyers will provide a valid system user list to Supplier.

ENG.PLN.1 Network Planning Services

DESCRIPTION

Supplier shall provide network planning functions resulting of exhaust conditions, to increase the capacity of the Buyers networks. The services exclude any planning functions that are caused by abnormal business activities, including cutover planning, and integration with Buyers' affiliate networks.

The planning functions consist primarily of:

1. SS7 Network Planning.
 - a. Supplier will provide planning support for the manufacturer discontinued Nortel DMS-STPs and the Tekelec Eagle STPs. Activities include periodic evaluation of the platforms performance and utilization as well as evaluation and securing new or improved generic software upgrades and hardware upgrades required for the Tekelec Eagle STP.
2. DSL Planning
 - a. Supplier will provide support for the capacity management of DSL services. Supplier will also provide timing and sizing of DSL network element installations, issuance of Capacity Creation Request (CCRs), economic analyses, technical support, and project coordination related to DSL LEC network in the States. Supplier's DSL current planner will initiate circuit request through the BDMS - BeRT system.
 - b. Supplier will provide Net optimize Data traffic report to Supplier's DSL current planning. DSL current planning will respond to augmentation needs when current threshold alerts are attained.
 - c. Supplier will provide planning support for software and hardware upgrades to the DSL network. Supplier will also be responsible for issuing authorization letters as required to support DSL expansion in central offices and remote terminals.
 - d. Supplier will format the backbone planners' circuit requests for OC3 Gateway Router Disconnects & OCD DS3 adds into an ASR and forward to the ILEC via the Carrier Services Gateway (CSG) system. The ASRs flow through the ILEC for provisioning. The order number, circuit I.D., and firm installation due date are documented in Backbone Request Tracker (BeRT) database. The Carrier Services Planner is also responsible for communicating to the Backbone Planner any facilities problems or issues detected by the ILEC through completion of the request. The DSL Backbone Planner monitors the requests and makes necessary changes to the ASRs as needed and updates the BeRT document noting problems and changes made with the ILEC and the ASR.
 - e. Supplier will provide inventory creation for the Network Layers 2/3 elements (DSLAM, ERXs, dedicated AND/ATM switches & LCRs). Supplier will create and maintain assignable inventory in Broadband Assignment Activation and Inventory System (BAAIS) for provisioning of DSL customer service orders.
3. Fast Packet Planning
 - a. Supplier will provide support for the capacity management of Fast Packet Transport (FPAT) and Fiber to the Premises (FTTP) services. Supplier will provide timing and

sizing of FPAT and FTTP network element installations, issuance of Capacity Creation Request (CCRs), economic analyses, technical support, and project coordination related to FPAT and FTTP in the States. FPAT/FTTP Current Planner will initiate Circuit request through the BDMS - BeRT system.

- b. Supplier will provide Net Optimize Data traffic reports. Supplier will respond to augmentation needs when current threshold alerts are attained.
- c. Supplier will provide planning support for software and hardware upgrades to the FPAT and FTTP networks. Supplier will also be responsible for issuing deployment plans and authorization letters as required to support FTTP expansion in new COs, application guidelines, economic analysis and technical support.
- d. Supplier will provide support for the capacity management of FPAT/FTTP services. Supplier will also provide timing and sizing of FPAT/FTTP network element installations, issuance of Capacity Creation Request (CCRs), economic analyses, technical support, budget control, and project coordination related to FPAT/FTTP in the States. FPAT/FTTP Current Planner will initiate circuit request through the BDMS - BeRT system.
- e. Supplier will format the backbone planners' circuit requests for OC3 Gateway Router Disconnects & OCD DS3 Adds into an ASR and forward to the ILEC via the Carrier Services Gateway (CSG) system. The ASRs flow through the ILEC for provisioning. The order number, circuit I.D., and firm installation due date are documented in Backbone Request Tracker (BeRT) database. The Carrier Services Planner is also responsible for communicating to the Backbone Planner any facilities problems or issues detected by the ILEC through completion of the request. The FPAT/FTTP Backbone Planner monitors the requests and makes necessary changes to the ASRs as needed and updates the BeRT document noting problems and changes made with the ILEC and the ASR.
- f. Supplier will provide inventory creation for the Network Layer 2 & 3 elements (ERXs, ATM switches & LCRs). Supplier will create and maintain assignable inventory in Broadband Assignment Activation and Inventory System (BAAIS) for provisioning of FPAT/FTTP customer service orders.

4. IP and Data Backbone Engineering

Supplier will provide IP Engineering and Capacity Management functions for Buyers, consisting of:

a. IP Network Creation:

Supplier will provide IP Network Creation support related for DSL and FTTP routers deployed in the States. This will consist primarily of the verification of the functionality of new routers and circuits, stress testing of new circuits, and the configuration (layer 3) of these routers, and will include the provision of supporting documentation needed by Buyers to manage these routers.

b. Fast Packet and Ethernet Capacity Management:

Supplier will work with Buyers to perform Capacity Management services for the Buyers' Fast Packet and Ethernet product networks. This Capacity Management function consists of traffic growth trending, order processing, and order implementation so that sufficient bandwidth exists to support customer needs.

c. DSL Host Circuit Capacity Management:

Supplier will work with Buyers to perform Capacity Management services for the Buyers DSL host circuit infrastructure (ATM switch to POP-based DSL router). This Capacity Management function consists of traffic growth trending, order processing, and order implementation so that sufficient bandwidth exists to support DSL customer needs.

d. DIA Host Circuit Capacity Management:

Supplier will work with Buyers to perform Capacity Management services for the Buyers' DIA host circuit infrastructure (ATM, Frame Relay and Private Line). This Capacity Management function consists of traffic growth trending, order processing, and order implementation so that sufficient bandwidth exists to support DIA customer growth.

e. POP Core Router to Backbone Router Capacity Management

Supplier will work with Buyers to perform Capacity Management services for the Buyers' POP Core Routers to the Supplier's Backbone Routers for IP traffic. This Capacity Management function consists of traffic growth trending, order processing, and order implementation so that sufficient bandwidth exists to support DSL and DIA customer needs.

f. LATA Core Router to Backbone Router Capacity Management

Supplier will work with Buyers to perform Capacity Management services for the Buyers' LATA Core Routers to the VZB Backbone Routers for IP traffic. This Capacity Management function consists of traffic growth trending, order processing, and order implementation so that sufficient bandwidth exists to support DSL and FTTP customer needs.

g. VIS POP Sustaining Engineering Support

Supplier will work with Buyers to provide sustaining engineering support to the Buyers' IP POPs. This support will consist of managing switch landscape, recommending and managing technology upgrades to replace older devices, and augmenting capacity on existing routers as needed so that the POP remains robust and that sufficient bandwidth exists on intra-POP links to support DSL and DIA customer needs.

5. Integrated / Transport Planning

- a. Supplier will provide consultation support on the new and revised Local Interconnection section of new and revised Interconnection Agreement (ICA) contracts between the Buyers and CLEC requesting local interconnections to the Buyers' local network.
- b. Supplier will provide integrated planning support for the implementation of the New Hampshire soft switch cluster. The implementation support for the New Hampshire soft switch cluster would include working with Buyers' engineering and operations teams to identify implementation issues.

6. Tandem/Switch/Voicemail and Services Planning

- a. The Supplier will provide end office and tandem network planning support for Buyers, consisting primarily of support for generic software and common hardware upgrades for the end office and tandem switches. Network Planning, as necessary, will assess potential switch exhaust conditions, and evaluate possible relief solutions. The Supplier will plan and advise the Buyers regarding any recommended changes to the E-911 and feature networks. The Supplier will provide guidance and advice

regarding the architecture of the Single Number Service. The end office and tandem switch types consist of Lucent 5ESS and Nortel DMS-10, DMS-100, DMS-200, and DMS-100/200 switches.

- b. The Supplier will provide TDM Voice Mail planning support for the Buyers, consisting primarily of support for generic software and common hardware upgrades. The Supplier will plan and advise the Buyers regarding any recommended changes to the Voice Mail features, network and/or systems. The Voice Mail hub is located in Dover, NH and is being readied to migrate from the Unisys platform to the SS8 SC3100.
- c. The Supplier will provide planning support for the narrowband CALEA solution for VoIP services offered in the ME, NH, and VT areas. Supplier will issue planning documents authorizing the purchase and deployment of CALEA equipment, as required. The Supplier will also advise the Buyers of any recommendations for CALEA services.

ENG.OTH.1 Customer Network Engineering

DESCRIPTION

Supplier shall provide the following Customer Network Engineering support functions:

1. CNE Transport. Supplier will provide design support for the following services
 - a. Dedicated SONET Rings (DSR)
 - b. Intellilight Broadband Transport (IBT) – Point to Point SONET
 - c. Intellilight Entrance Facilities (IEF)
 - d. Intellilight Optical Transport Services (IOTS) – Dedicated DWDM and ROADM Rings
 - e. Verizon Optical Networks (VzON) – Private Line Ethernet
 - f. Alternate Serving Wire Center (ASWC)
 - g. Frame Relay
 - h. Large DS1/DS3 projects
 - i. Lottery Networks
2. CNE Collocation. Supplier will provide Tier III support for the provisioning process of Collocation requests.
3. CNE E911. Supplier will work with Buyers' when reasonably requested to provide the timely response of quality custom designs and inquiry requests related to regulated E911 and other emergency services
4. Supplier reserves the right to charge additional hourly fees at its fully loaded labor rate in order to meet reasonably requested CNE assistance for regulatory compliance.
5. Supplier is not obligated to support CNE design for projects that do not conform to the design of the current network.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

ENG.OTH.2 Database Management Services (DBMS)

DESCRIPTION

The Supplier's E911, NTAS & iView support teams will provide the following services to Buyers:

1. Error resolution for daily service order fallout.
2. Data entry into Database Management System for all modifications requested to the Master Street Address Guide (MSAG).
3. Data entry into NTAS and iView for all modifications.
4. Research and resolution for all E911 call misroutes.
5. Project Management for all E911 re-addressing/conversion projects.
6. Modification of customer records due to re-addressing/conversion activity.
7. Referral of service order activity for special accounts to appropriate departments.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

ENG.OTH.3 Build Requests Control Center (BRCC)

DESCRIPTION

Supplier will assist the Buyers in the project management of high capacity facility issues generated by a service order request received through RequestNet. This consists primarily of managing the steps involved in providing facilities on a high capacity circuit.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

ENG.OTH.4 Inter-Office Facilities (IOF) Engineering Provisioning

DESCRIPTION

Supplier will provide the following IOF engineering services to Buyers:

1. Provisioning of customer submitted service order requests at various circuit levels (DS0, DS1, DS3, and Dark Fiber) through the retail and wholesale lines of businesses.
2. Build, design and maintain the DS1 infrastructure network to provide capacity for customer DS0's as well as message and special circuits.
3. Design, analyze and maintain diversity on key circuits such as, umbilical control links, SS7, Sync and E911 paired circuits.
4. Maintain the TiRKS database to ensure efficient, direct network routing.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

ENG.OTH.5 SS7 and E911 Circuit Diversity Analysis and Synchronization Engineering

DESCRIPTION

Supplier will perform diversity analysis for the SS7 links from the Buyers' End office to the STPs on a monthly basis. Supplier will also perform diversity analysis on all E911 End Office to 911 tandems, Public Safety Answering Point (PSAP) and ALL circuits on a monthly basis. The Supplier will review each month the SS7 Audit report to identify new Central Office violations that need to be corrected and confirm Central Office violations were cleared. After each monthly Diversity Tracking System update, the Elevation and Degradation report will be run to confirm violations that were cleared and to identify new violations that were found. The Supplier will work with Buyers to correct the identified diversity violations and update the monthly reports. The systems used to perform this analysis are DTS (Diversity Tracking System) and TIRKS.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

ESG.SYS.1 Enterprise Solutions Group (ESG) Support

DESCRIPTION

Supplier will provide Buyers with the systems' access and administrative support for customer support functions for Buyers' enterprise Customers. This service shall be provided for the existing enterprise contracts and services as well as the sale of new tariff services. **New Individual Case Basis (ICB) contracts or custom sales will not be supported by Supplier.** The service shall consist primarily of:

1. Implementation management, consisting of the project management of activities related to the installation of ordered services.
2. Technical service management, consisting of standard and custom reporting, SLA tracking and reporting, record keeping of network diagrams and designs. Supplier shall serve as an escalation point for trouble tickets when the standard process is not meeting Customer needs.
3. Service management, consisting of Customer support for bill inquiries, account inquiries, claims and adjustment management and MAC (Move, Add and Change) orders. Supplier shall process these requests in its proprietary Portal and route them to Supplier's wholesale support centers.
4. Dedicated and internet order process. Supplier shall process dedicated and Internet orders to provision legacy Customers on the VSSI (Verizon Select Services Incorporated) platform.
5. Post service sales bureau. Supplier shall process switched orders to provision Customers on the VSSI platform. Supplier will receive and process switched orders for ANI, Calling Card, Toll Free, Verified/Unverified Account Codes (VAC/UVAC), and Billing Group Numbers (BGN).
6. VSSI billing Inquiry. Supplier shall take VSSI Customer calls and handle billing inquiries for both Bobco and NBBE billing platform.
7. Project management services will be provided on complex and custom implementations. Custom/ICB projects that were started prior to commencement of transition period will be continued during transition and will be billed at the hourly rate of \$100 per project manager hour. No new ICB projects will be supported during the transition. Only projects including tariffed services will be supported during the Transition Period.

ADDITIONAL REQUIREMENTS

1. Buyers shall adhere to service standards as stipulated by the Public Utilities Commission and as otherwise reasonably requested by Supplier.
2. Buyers shall have their own trained enterprise sales force prior to the beginning of this service.
3. Buyers shall be prepared to fully support the CPE ordering, maintenance, and associated billing and other support services prior to the beginning of this service
4. Supplier will deliver reasonably requested customer data to the Buyers pertaining to regulated services and associated billing records and profiles.

5. Supplier will maintain legacy systems and processes used to support the Customer service function. Supplier will also provide user administration in support of system access.
6. Supplier will maintain order volumes and relevant measurements to customer service functions.

NET.NPC.1 Circuit Provisioning Services

DESCRIPTION

Supplier shall use its proprietary Trunk Inventory Recording Keeping System (TIRKS) or then existing systems to perform circuit provisioning and related administrative functions. The Supplier circuit provisioning centers (CPC), located in Boston, MA and Marlboro, MA will perform reasonably requested circuit provisioning and administrative functions for the Buyers at the existing business hours. The Boston CPC is open Monday-Friday, 7 am – 9 pm. The Marlboro CPC is open Monday-Friday, 7 am – 6 pm.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

NET.NPC.2 Data Network Creation

DESCRIPTION

Supplier shall support necessary testing, configuration, and augmentation of the data elements and network trunk activations associated with Fast Packet, FTTP and DSL central office based elements. Hours of operation for Fast Packet and FTTP center are 8 AM EST to 7 PM EST. The DSL center is open 24 x 5 (Monday thru Friday).

Supplier shall configure interfaces and routing to support implementation of DIA (Direct Internet Access) and IPVPN services for Buyers' business customers. For DIA service, Supplier shall issue ASR service requests with CFA assignments requesting standard interval for local loop to customer premises. Hours of operations for the DIA/IPVPN center are Monday – Friday 8 AM EST to 5 PM EST.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

NET.NPC.3 Voice Network Creation Services

DESCRIPTION

Supplier shall provide development and loading of network translations for the Buyers' end office, tandem, TOPS and E911 switching entities in support of routing and charging, code activations/transfers/deactivations, NPA activations/splits/overlays, country code activations/modifications, network trunking (IXC, CLEC, Internal), customer trunking (PRI, DID, DOD), and Centrex services. Supplier will provide support for three move and change applications (CCRS, Macstar, CMAC) to large Centrex customers utilizing those applications. Provisioning technical support shall be provided Mon-Fri, 8-5 EST. Translation-related trouble resolution service shall be provided 7x24.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

NET.NPC.4 Winback Coordination (WCC) Services

DESCRIPTION

Supplier shall provide the reconnection for Winback Customers returning from CLEC providers. Supplier shall receive an order for coordination via the eWPTS Winback Module (WFA/C is the backup if eWPTS fails). WCC will then coordinate the release and testing of the disconnect and add orders, and release the service to the end customer upon completion. The WCC center is open from 8 am to 8 pm M-F, EST.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

NET.SMT.1 Network Maintenance Operations Center (NMOC) Services

DESCRIPTION

Supplier shall perform:

1. Surveillance and maintenance of the Buyers' ATM-Frame Relay backbone network switches. The Supplier shall perform this function 24 hours a day, 7 days a week. The Supplier's NMOC, shall to the extent possible, remotely repair ATM-Frame Relay backbone network switch troubles, or if required, shall input tickets to dispatch Buyers' onsite technicians through Supplier's NDC (National Dispatch Center) and/or the NCC (Network Control Center).
2. Surveillance and maintenance of the DSL aggregation network and backbone network from the ASAM to the National Network Maintenance Center (NNMC) IP uplinks at the terminating ATM switch. The NMOC shall not manage the actual Wholesale uplinks. The NMOC shall perform this function 24 hours a day, 7 days a week. The Supplier's NMOC, shall to the extent possible, remotely repair these DSL aggregation network troubles, or if required, shall input tickets to dispatch Buyers' onsite technicians through Supplier's NDCs (National Dispatch Centers) and/or the NCC (Network Control Centers).
3. Surveillance and maintenance of the Customer Move Add and Change (CMAC) servers located in Baltimore, MD and 4 proxy servers (Baltimore MD and Pearl River NY). These servers are not conveyed Network Elements. The NMOC shall perform this function 24 hours a day, 7 days a week. The NMOC shall remotely repairs trouble if possible, or if required, will contact the Supplier's NSCC (Network Services Computer Center) to dispatch onsite technicians, which will coordinate vendor access. Additionally, the NMOC shall input tickets to dispatch onsite technicians through regional NDCs (National Dispatch Centers) and/or the NCC (Network Control Centers).
4. Surveillance and maintenance of the CCSN servers (STP, ISCP, and LNP). The NMOC performs this function 24 hours a day, 7 days a week. The NMOC manages the servers and B, C, and/or D linksets. The VNM manages the OSN uplinks. The NCCs manage the A and E linksets. CATC manages the Wholesale customers. The NMOC remotely repairs trouble if possible, or if required, will input tickets to dispatch onsite technicians through OSN Helpdesk, regional NDCs (National Dispatch Centers), and/or the NCC (Network Control Centers).
5. The NMOC performs surveillance and maintenance of the Multi Service Platform (MSP) servers. The NMOC performs this function 24 hours a day, 7 days a week. The NMOC does not manage the actual OSN uplinks. The VNM manages the OSN uplinks. The NMOC remotely repairs trouble if possible, or if required, will input tickets to dispatch onsite technicians through OSN Helpdesk, NECC (Network Element Control Center), regional NDCs (National Dispatch Centers), and/or the NCC (Network Control Centers).
6. The NMOC performs surveillance and maintenance of the two Station Message Detailed Reporting (SMDR) servers. The NMOC performs this function 24 hours a day, 7 days a week. The NMOC remotely repairs trouble if possible, or if required, will contact the NSCC (Network Services Computer Center) to dispatch onsite technicians, which will coordinate vendor access. Additionally, the NMOC will input tickets to dispatch onsite technicians through regional NDCs (National Dispatch Centers) and/or the NCC (Network Control Centers)

7. The NMOC performs surveillance and maintenance of the Switched Ethernet Service (SES) backbone network switches. The NMOC performs this function 24 hours a day, 7 days a week. The NMOC remotely repairs trouble if possible, or if required, will input tickets to dispatch onsite technicians through regional NDCs (National Dispatch Centers) and/or the NCC (Network Control Centers).
8. The NMOC performs surveillance and maintenance of the Individual Voice Response (IVR) servers. The NMOC performs this function 24 hours a day, 7 days a week. The NMOC does not manage the actual OSN uplinks. The VNM manages the OSN uplinks. The NMOC remotely repairs trouble if possible, or if required, will input tickets to dispatch onsite technicians through OSN Helpdesk, regional NDCs (National Dispatch Centers), and/or the NCC (Network Control Centers).

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

NET.SMT.2 Network Maintenance Center Services

DESCRIPTION

The Supplier's National Network Maintenance Center (NNMC) is the surveillance and maintenance center responsible for the 24 X 7 X 365 operations for voice and data services being delivered over the FTTP network. This center is the metamorphosis of a number of next generation service delivery platforms and maintenance centers combining to concentrate on Layer 3 and above monitoring and orchestrating the maintenance of the converged services platforms delivering FTTP, and Internet services in effect as of the Closing Date.

1. Supplier shall maintain 24 X 7 X 365 staff to monitor the applicable network elements.
2. Supplier shall maintain the OSS applications to meet 24 X 7 X 365 coverage capability.

The NNMC shall provide to the Buyers the following services:

1. Surveillance – Alarm/Trouble Support Driven, consisting primarily of fault monitoring, trouble referrals/support, alarm correlation, and ticket creation.
2. Fault Maintenance – Network Event/Fault Driven, consisting primarily of analysis, remote maintenance, and dispatch of troubles where required.
3. Scheduled Maintenance – Network Growth/Improvement Driven, consisting primarily of routine proactive maintenance (i.e. vendor/Tier II recommended), to includes scheduled upgrades, cutovers, grooming, projects, and patches.

The NNMC shall perform these functions for the following network services:

1. IP Network - LATA Core, Service Edge, and Application Edge routers supporting Dedicated Internet Access, IP/VPN, DSL, and FTTP Data
2. FTTP Network – OLT, Switch interface, WDM, and 1X32 splitter supporting the Voice and Data services.

ADDITIONAL REQUIREMENTS

1. Buyers shall maintain 24X7X365 staff for Field support (I&M and Construction) and C.O. support.
2. Buyers shall maintain recommended spares inventory for equipment being monitored.
3. Buyers shall perform recommended routine maintenance for equipment being monitored.
4. Buyers shall maintain escalation contact list for 24 X 7 X 365 access up to VP level.
5. Buyers shall participate in process development and ad hoc meetings when requested at Buyers sole cost and expense.
6. Buyers shall maintain network element access and connectivity up to the meet-me point.

NET.SMT.3 Transport Tier II Technical Support

DESCRIPTION

Supplier will provide Buyers with twenty-four hours, seven days a week Tier II technical support for transport network elements in the States. The function consists primarily of outage investigation and diagnostic analysis of the transport network element failures. This investigation consists primarily of accessing the applicable transport network element by using resident diagnostic and trouble analysis capabilities. The Transport Tier II support functions consist of analyzing the trouble, taking corrective action or escalating the trouble using existing escalation procedures.

1. Supplier will provide 24/7 Transport Tier II technical assistance to Buyers via ACD.
2. Supplier will seek vendor/manufacturer assistance (at Buyers' expense) if trouble cannot be corrected at Tier II level.
3. Supplier will provide a directory of telephone numbers and escalation list of the Transport Tier II Support organization to the Buyers.
4. Supplier will collect and forward service outage data to Buyers.

ADDITIONAL REQUIREMENTS

1. Buyers will maintain the transport network element hardware and associated devices located in each acquired location.
2. Buyers will issue all security passwords and access codes necessary to allow Supplier access to the transport network elements at close.
3. Buyers will identify hierarchy of call out response; establish contact lists of Buyers' employees and escalation contact procedure to be submitted to Supplier.
4. Buyers will assume associated costs/fees for hardware, software upgrades, vendor telephone support or on-site visits that may be reasonably requested by vendor technicians resulting from Tier II support actions.
5. Buyers will provide instructions on all transport network element upgrades.
6. Buyers will provide Supplier with necessary access to the transport network element so that Supplier may perform Tier II support.

NET.SMT.4 Switching Tier II

DESCRIPTION

1. Supplier's Surveillance, Maintenance, and Tier II Support (SMT2) – Technical Support Services – Switching (TSS-S) shall provide Buyers with twenty-four hours, seven days a week Tier II technical support for switching network elements and services in the States remotely via telephone.
2. Technical Support shall be performed on switching network elements defined as Lucent 5ESS, AMDF, Nortel DMS10, Nortel DMS100, Softswitch/FTTP, SS7/STP, and- Voice Mail Services Central Office Switching Equipment that is in place on the Closing Date. Technical Support Services shall continue to provide support for AIN, LIDB, CNAM, Toll Free, LNP, and TCW.
3. SMT2 TSS-S shall provide remote technical assistance to trained Buyers' personnel, both routine and emergency. Calls for technical support to TSS-S are expected to originate from the Supplier's Tier I Centers (NCC). Those Tier I Centers will be staffed with trained technicians and continued responsibilities for Tier I Support including services like software updates, patching, spare card management, etc. The Tier I technicians must call SMT2 TSS-S with technical inquiry, and then TSS-S will respond to questions and/or log into the system to provide fault isolation and resolution.
4. Any requirement for Tier III services will be the financial responsibility of the Buyers.
5. Supplier will provide a directory of telephone numbers and escalation list for the Switch Tier II Support organization to the Buyers.
6. Supplier will collect and forward service outage data to the Buyers according to the Outage Escalations Procedure described below.

ADDITIONAL REQUIREMENTS

1. Buyers will maintain the Switch network element hardware and associated devices located in each acquired location.
2. Buyers will issue all security passwords and access codes necessary to allow Supplier access to the Switch network elements at close.
3. Buyers will identify hierarchy of call out response; establish contact lists of Buyers' employees and escalation contact procedure to be submitted to Supplier.
4. Buyers will assume associated costs/fees for hardware, software upgrades, vendor telephone support or on-site visits that may be reasonably requested by vendor technicians resulting from Tier II support actions.
5. Buyers will provide instructions on all Switch network element upgrades. Provisioning modifications shall be coordinated through Buyers' site personnel, designated work center, or electronic bonding.
6. Buyers will provide Supplier with necessary access to the Switch network element so that Supplier may perform Tier II support.

7. Any requirement for Tier III support services shall be the financial responsibility of the Buyers.
8. Buyers will provide trained personnel.

Outage Escalations and Procedure

The following procedure shall be implemented when Buyers report a condition, which represents major service impairment. This procedure applies to situations where a full network element or a part thereof, experiences an outage event whose cause or course of remedial action is not identified.

Outage/Loss of Call Processing Actions

When a switch element has been determined to be in an outage condition, the following actions shall be attempted:

- a) SMT2-TSS-S shall attempt to find a hardware configuration that will permit call processing restoration; and,
- b) SMT2-TSS-S shall evaluate the instigation of switching element reload process and initiate such instigation if warranted; and,
- c) SMT2-TSS-S shall, in the event call processing is not restored after two system reloading attempts, seek equipment vendor/manufacturer assistance (at Buyers' expense).

Outage/Partial

When a switch element has been determined to be in a partial outage or severely impacted condition, SMT2-TSS-S shall perform the following actions unless a defined course of action has been set by Supplier within thirty (30) minutes after SMT2-TSS involvement:

- a) SMT2-TSS-S shall evaluate the instigation of switching element initialization processes to resolve possible status related impairment; and,
- b) SMT2-TSS-S shall evaluate the instigation of switching element reload processes; and,
- c) SMT2-TSS-S shall, if after one (1) hour of involvement restoration of the impairment is not imminent, take necessary action to secure additional technical expertise and ensure available resources are being utilized.

NET.SMT.5 Power Tier II Technical Support

DESCRIPTION

Supplier will provide 7-day by 24-hour Tier 2 technical support to the DC and AC power infrastructures in Buyers' central office locations in the States. The DC power infrastructure consists primarily of DC power plant rectifiers and microprocessor-based controller, power distribution systems, BDFBs and fuse panels, standby battery systems, and the integrity of the office's grounding and environmental systems. The AC infrastructure consists primarily of the standby engine-generator assembly, the associated control and fuel systems, and the automatic transfer switchgear systems.

The technical support functions shall be provided over the phone. On occasion, Buyers may require on-site services. Supplier shall require Buyers to submit a written request for onsite services. Onsite services may consist of an audit of the DC power system, voltage and current measurements, battery discharge (rundown) testing, grounding system integrity verification, an audit of the site's environmental system, and an infrared scan of the DC distribution system.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

NET.SMT.6 IP Networks Tier II Technical Support

DESCRIPTION

1. Supplier's Surveillance, Maintenance, and Tier II Support (SMT2) – Technical Support Services – IP Networks shall provide Buyers with twenty-four hours, seven days a week Tier II technical support for Buyers' IP Network elements and service locations in the States remotely via telephone.
2. Technical Support shall be performed on IP Networks elements defined as Juniper ERX 1440, Juniper M/T-series routers, Cisco 7200/7500/10000/12000-series routers, Cisco ATM & Catalyst Ethernet switches.
3. The network connections between existing Supplier IP network elements and those that convey to the Buyers will be converted to External Border Gateway Protocol (EBGP). The connections will be treated as peering connections and managed according to standards for network connections with other 3rd party connections to the Supplier IP network.
4. Technical Support Services IP Networks shall provide remote technical assistance to trained Buyers' personnel, both routine and emergency. Calls for technical support to TSS-IP Networks are expected to originate from Tier I Centers. Those Tier I Centers should be staffed with trained technicians and continued responsibilities for Tier I Support including services like software updates, patching, spare card management, etc. The Tier I technicians must call TSS-IP Networks with technical inquiry, and then TSS-IP will respond to questions and/or log into the system to provide fault isolation and resolution.
5. Any requirement for Tier III Vendor services shall be the financial responsibility of Buyers.
6. Supplier will provide a directory of telephone numbers and escalation list for the IP Networks Tier II Support organization to the Buyers.
7. Supplier will collect and forward service outage data to the Buyers, according to the outage procedures outlined below.

ADDITIONAL REQUIREMENTS

1. Buyers will maintain the Switch network element hardware and associated devices located in each acquired location.
2. Buyers will issue all security passwords and access codes necessary to allow Supplier access to the Switch network elements at close. Buyers must provide SNMP access to supported network elements to allow trending and performance analysis applications to collect data necessary for troubleshooting.
3. Buyers will identify hierarchy of call out response; establish contact lists of Buyers' employees and escalation contact procedure to be submitted to Supplier.
4. Buyers will assume associated costs/fees for hardware, software upgrades, vendor telephone support or on-site visits that may be reasonably requested by vendor technicians resulting from Tier II support actions.
5. Buyers will provide instructions on all Switch network element upgrades. Provisioning modifications will be coordinated through Buyers' site personnel, designated work center, or electronic bonding.

6. Buyers will provide Supplier with necessary access to the IP network element so that Supplier may perform Tier II support.
7. Buyers must register a new Autonomous System Number (ASN) from ARIN in order to support EBGP connections described above.
8. Buyers must register for new IP network assignments from ARIN in order to renumber transitioned network elements and customers so that Supplier's registered IP network numbers can be returned. This must be accomplished within 180 days of completed transition date.
9. During initial 180 day transition where Buyers is using Supplier registered IP networks, Buyers must insure that Supplier IP networks are only advertised to Supplier. Under no circumstances are these IP network assignments to be advertised to any other provider.
10. Any requirement for Tier III Vendor services shall be the financial responsibility of Buyers.

Outage Escalations and Procedure:

The following procedure shall be implemented when Buyers reports a condition, which represents major service impairment. This procedure applies to situations where a full network element or a part thereof, experiences an outage event whose cause or course of remedial action is not identified.

Outage/Loss of IP Routing Actions:

When a network element has been determined to be in an outage condition, the following actions shall be attempted:

- a. SMT2-TSS-IP Networks shall attempt to find a hardware and/or software configuration that will permit IP routing to be restored; and,
- b. SMT2-TSS-IP Networks shall evaluate the instigation of IP Networks element reload process and initiate such instigation if warranted; and,
- c. SMT2-TSS-IP Networks shall, in the event IP routing is not restored after two system reloading attempts, seek equipment vendor/manufacturer assistance (at Buyers' expense).

Outage/Partial:

When a network element has been determined to be in a partial outage or severely impacted condition, SMT2-TSS-IP Networks shall perform the following actions unless a defined course of action has been set by Supplier within thirty (30) minutes after SMT2-TSS involvement:

- a. SMT2-TSS-IP Networks shall evaluate the instigation of IP Networks element initialization processes to resolve possible status related impairment; and,
- b. SMT2-TSS-IP Networks shall evaluate the instigation of IP Networks element reload processes; and,
- c. SMT2-TSS-IP Networks shall, if after one (1) hour of involvement restoration of the impairment is not imminent, take action to secure additional technical expertise and ensure available resources are being utilized.

NET.SMT.7 Broadband Tier II Technical Support

DESCRIPTION

1. Supplier shall provide twenty-four hours, seven days a week Tier II technical support for the Buyers' DSL, Fast Packet, and Switched Ethernet elements in the States remotely via telephone.
2. This service shall be performed on DSL, Fast Packet and Switched Ethernet elements defined as Cisco 7200/7500/10000/12000-series routers, Cisco ATM & Catalyst Ethernet switches, Lucent CBX/GX FP switches, Ciena DN7100/7200 FP switches, Redback routers, Alcatel ASAMS, Alcatel Litespan, Ciena/Catena, and Adtran DSL equipped Remote Terminals.
3. Supplier shall provide remote technical assistance to trained Buyers' personnel, both routine and emergency. Calls for technical support to Supplier are expected to originate from Buyers' Tier I Centers. Those Tier I Centers should be staffed with trained technicians and continued responsibilities for Tier I Support including services like software updates, patching, spare card management, etc. The Tier I technicians must call the Supplier's TSS-Broadband with technical inquiry, and then TSS-Broadband will respond to questions and/or log into the system to provide fault isolation and resolution.
4. Any requirement for Tier III Vendor Services will be the financial responsibility of Buyers.
5. Supplier will provide a directory of telephone numbers and escalation list for the Broadband Tier II Support organization to Buyers.
6. Supplier will collect and forward service outage data to Buyers.

ADDITIONAL REQUIREMENTS

1. Buyers will maintain the network element hardware and associated devices located in each acquired location.
2. Buyers will issue all security passwords and access codes necessary to allow Supplier access to the network elements at close. Must also provide SNMP access to supported network elements to allow trending and performance analysis applications to collect data necessary for troubleshooting.
3. Buyers will identify hierarchy of call out response; establish contact lists of Buyers' employees and escalation contact procedure to be submitted to Supplier.
4. Buyers will assume associated costs/fees for hardware, software upgrades, vendor telephone support or on-site visits that may be reasonably requested by vendor technicians resulting from Tier II support actions.
5. Buyers will provide instructions on all network element upgrades. Provisioning modifications will be coordinated through Buyers site personnel, designated work center, or electronic bonding.
6. Buyers will provide Supplier with necessary access to the network element so that Supplier may perform Tier II support.

7. Buyers must register a new Autonomous System Number (ASN) from ARIN in order to support EBGP connections described above.
8. Buyers must register for new IP network assignments from ARIN in order to renumber transitioned network elements and customers so that Supplier's registered IP network numbers can be returned. This must be accomplished within 180 days of completed transition date.
9. During initial 180 day transition where Buyers is using Supplier's registered IP networks, Buyers must insure that Suppliers IP networks are only advertised to Supplier. Under no circumstances are these IP network assignments to be advertised to any other provider
10. Any requirement for Tier III Vendor Services will be the financial responsibility of Buyers.

NET.SMT.8 Management Networks Support and Management

DESCRIPTION

The Verizon Management Network (VMN) provides 24x7 support for the following networks:

- Data Services Center Network (DSC)
- Data Communications Network (DCN)
- System Interface Management Network (SiNet)
- Global Network Interface (GNI)
- Operations Support Networks (OSN)

The support consists primarily of planning and implementation, device/port turn ups, configuration and routing implementation, remote management and direction of support during trouble isolation, detection, and correction.

There are approximately 650 VMN devices in the States.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

NET.SMT.9 Network Services Management Services

DESCRIPTION

The Supplier Network Services Management Center (NSMC) shall provide the following services to the Buyers:

1. Fault Management Center (FMC) services, consisting primarily of Health of the Network (HON) information and trouble/outage updates to Buyers.
2. Network Administration Group (NAG) services, consisting primarily of data collection and monitoring, exceptions analysis. Supplier shall analyze exceptions, and take necessary corrective and preventative actions. Supplier shall monitor service level exceptions for Central Office switch, common equipment, and elements of the trunking network. Supplier shall refer maintenance issues to the Supplier's Network Test Centers, Network Control Centers, and dispatch centers and C.O. Technicians. Supplier shall refer BAU capacity issues, both common equipment and trunking to appropriate Engineering groups. Supplier shall review and explain daily and monthly Central Office blocking, on office Blockage and Umbilical, Dial Tone Speed, Office Overflow, and Network Matching loss outages.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

NET.SYS.1 Network Systems Administration

DESCRIPTION

Supplier shall provide Network Systems Administration and Support services consisting primarily of:

1. Recent Change Memory Administration Services (RCMAC) consisting primarily of user access to the then existing RCMAC systems.
2. Remote Access Test (REACT) system test application support for provisioning and maintenance of DSL and special circuits. This consists primarily of system administration activities, Tier II support services and trouble investigation and resolution services.
3. Switch Billing Usage Data Collection and System Administration (EBAC). Supplier shall provide system administration for the DCS-2000 (aka IntermediatE) data collection system which includes daily review of system operations and processes to proactively identify and resolve application and system troubles; system maintenance activities; development, testing and implementation of new data collection and delivery interfaces; development and implementation of customized processing scripts for mechanized reporting and data mediation; CO SLM tape processing; Tier II technical support for Data Collection Technicians and switch field personnel; interface with vendor for Tier III system support; and 24 x 7 system support via telephone. Supplier shall provide day to day monitoring of data collection activities. This consist primarily of daily review of system reports used to identify any usage collection anomalies; investigation and resolution of suspected missing switch data; recovery of missing switch data; CO tape processing; building of new data collection and delivery portals; switch upgrade collection support on pre-scheduled basis; and investigation and resolution of data delivery issues.
4. Automated Message Accounting (AMA) Network Usage Error Analysis and Resolution, consisting primarily of investigation of AMA usage errors identified by the billing system on a daily basis (Monday – Friday); upon successful identification of root cause, referral to appropriate department for resolution/correction; follow-up of referrals for completion; deletion and tracking of usage records in error.

ADDITIONAL REQUIREMENTS

1. Buyers shall maintain the existing switch network element hardware and associated devices located in each acquired location.
2. Buyers will issue all security passwords and access codes necessary to allow Supplier access to the network elements.
3. Buyers will provide a hierarchy and directory of contact personnel.
4. Buyers will identify hierarchy of call out response; provide contact lists of employees responsible for switch maintenance and data collection escalation contact procedures to Supplier.
5. Buyers will coordinate all switch upgrade activities, requiring usage data collection for completion, with Supplier usage data collection technicians.

6. With respect to the AMA service, Buyers must provide daily usage error file in Supplier's specified format each business day.

NET.SYS.2 Central Office Field Operations Support

DESCRIPTION

Supplier shall provide the following system support to the Buyers:

1. The supplier's Central Office Equipment Installation (COEI) National Operations Support will provide User Access, Training when required, and any additional support for the then existing Einstall applications. The current Einstall applications include General Method of Procedure (GMOP), Service Event Tracking Database (SETD), Partner Survey Tracking (PST), E-Business Quality Review (EQR), and the COEI Portal (used by Internal Technicians) and the Vendor Portal (for outside vendors). These Einstall applications are available 24x7. Technical support for these functions is primarily between 8am-5pm EST.
2. eCO/WFA/DI Implementation and Tier I support. Supplier shall manage the implementation for features and functionality to the Buyers' users of eCO/WFA./DI systems, which consist primarily of the Buyers' central office technicians. The Supplier shall also provide 24X7 TIER 1 support on eCO Systems to the central office technicians and management and network operations centers if applicable.
3. Frame Order Management Support (FOMS) user support. The system is primarily used by the Buyers' central office technicians.
4. Automated Main Distribution Frame (AMDF) support. The system is primarily used by the Buyers' central office technicians

ADDITIONAL REQUIREMENTS

1. The Buyers shall confirm a list of users in the States and inform Supplier's COEI National Support of new users requiring access to these platforms.

ROPS.FSC.1 Fiber Solution Center (FSC) Services

DESCRIPTION

The Supplier Fiber Solutions Center (FSC) shall provide the following services to the Buyers:

1. Technical Support:
 - a. Integrated voice and data support to the Buyers' FTTP Customers.
 - b. Ticket creation, escalation and management.
 - c. Trouble isolation & resolution of Customer issues.
 - d. Handoffs to dispatch when necessary.
 - e. Assist Buyers' installation and maintenance technicians with PC configuration issues.
2. Order Control:
 - a. Escalation & resolution of past due orders or orders in fallout.
 - b. Rescheduling of past due orders.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

ROPS.VRRC.1 Repair Resolution Center

DESCRIPTION

The Supplier's Repair Resolution Center (VRRC) shall provide the following services to Buyers:

1. Answer incoming repair calls from Buyers retail core voice Customers.
2. Enter trouble reports in CAD/vRepair for distribution to the appropriate resolution center.
3. Assist Buyers in responding to requests from State and Regulatory inquiries on service levels.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

ROPS.NCC.1 Network Control Center (NCC)

DESCRIPTION

The Supplier's Network Control Center (NCC) shall provide 7x24 surveillance and maintenance of Buyers' central offices, remote offices, and transport facilities in the States.

The switch control functions consist primarily of:

1. Surveillance of the switching network elements.
2. Analysis of network element output messages.
3. Maintenance and analysis of network troubles.
4. Tier-1 technical support for switching.
5. Remote administration of application of generics.
6. Maintenance support.
7. Maintenance of the OSN links.

The transport control functions consist primarily of:

1. Surveillance of transport network elements.
2. Maintenance and analysis of network troubles.
3. Maintenance support.
4. Maintenance of the OSN links.
5. Tier-1 technical support for transport.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

ROPS.NTC.1 Network Transport Center Services

DESCRIPTION

The Supplier's Network Transport Center (NTC) is the first level tier support for complex translations line and trunk troubles.

- Ticket lists include "no dialtone" - line troubles, and NT & DL tickets (trunk / carrier issues). These tickets are received primarily from SARTS, and PCC.

The NTC shall work directly with the Buyers' central office and field technicians to isolate and resolve troubles. Troubles are either resolved or isolated and escalated to another work center for appropriate resolution. The NTC shall monitor and coordinate trouble tickets received from competitive local exchange carriers.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

PAOS.CCI.1 Customer Measurement Services (CMS)

DESCRIPTION

The Supplier will provide Customer Measurement Services (CMS) consisting of Customer satisfaction surveys in the States. The function consists of periodic sampling of Customer satisfaction for consumer and business repair and consumer and business provisioning.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

PAOS.CCI.2 Customer Advocacy Operations

DESCRIPTION

Supplier shall manage the Customer complaints consisting primarily of necessary research and complaint resolution with the Customers. Supplier shall receive such complaints via calls, emails and letters from Customers or from communications with state or federal regulatory agencies. Supplier shall enter and track received complaints in its proprietary web-based VeCTR System. Supplier will provide Customers with access to the VeCTR system. Daily, weekly and monthly reports can be extracted from the VeCTR to review trends, monitor compliance along with providing complaint detail upon demand.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

PAOS.PAS.1 Process Assurance And Support

DESCRIPTION

The Supplier will provide centralized Process Assurance and Support services for the core voice, DSL, and FTTP Customers. The initial phase of the process assurance process consists of operational and regulatory performance metrics support.

Supplier will provide Buyers with support for then existing metrics and metric systems that support the Buyers' inside and outside field operations. Supplier will:

1. Provide on-going metric system and application support.
2. Maintain applications and systems in accordance with Supplier's remaining property release, patch, and/or fix schedule.
3. Communicate metric affecting data center or server outages, incidents, change requests, or enhancements.
4. Isolate the end-user access to the Buyers' operations data.
5. Provide metric reports where isolation is not reasonably feasible.
6. Provide historical data as reasonably requested, provided that such historical data is readily available.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

PAOS.SVS.1 Service Assurance Support

DESCRIPTION

Supplier will provide the following Service Assurance Support Services:

1. Resource Management System and Call Operations Support.
 - a. Supplier will provide 24x7 administration and call management and delivery via Automatic Call Delivery(ACD)/RT1000 Management Information System (MIS) integrated into Nortel DMS 100 switch supporting call centers in the States including:
 - i. Create new Automatic Call Delivery (ACD) groups/teams for call routing/delivery.
 - ii. Make configuration changes to redirect customer calls.
 - iii. Provide MIS real time monitoring of agent activity including reports
 - iv. Monitor and size the network, order and size network facilities based upon growth.
 - v. Administer centralized Help Desk/Data Base for trouble reporting and resolution.
 - vi. Configure MIS terminals at remote center locations.
 - vii. Administer announcements, agent log on Ids/modify and maintain user menus/permissions/displays, hours of operation/load management changes.
 - b. Supplier will administer 24X7 EMPSx Force Management system supporting call centers in the States including:
 - i. Build new data bases for new or consolidating offices.
 - ii. Supply ticket support for system and user problems.
 - iii. Build and modify data collection.
 - iv. Consolidate and send payroll to CTRL (Common Time and Labor Reporting).
 - v. Build and modify map new work groups as needed.
 - vi. Build and modify FMR as needed.
 - c. Supplier will administer 24X7 Call Management/CTI /Voice Portal Call Routing Operations support to call centers in the States for Retail Markets, Repair, and Fiber Solutions Customer call traffic. Supplier will
 - i. Support of the Computer Telephony Applications (Genesys and EZInfo) that routes service level beneficial data; provide network /database/configuration management environment (CME) administration.
 - ii. Act as tier One/Two support for call routing issues via the Voice Portal to the local ACDs.

- iii. Administer/respond to tickets for issues and requests for BAU add, moves and changes.
 - iv. Report out on call volumes where necessary to support movement of work projects.
- 2. Call Delivery System Support. Supplier will provide support of the IVRU (Interactive Voice Response Units), utilized to provide call routing for the Consumer Maintenance and Provisioning Centers and the Automatic Call Distributors (ACD) utilized to get calls to the proper centers. The IVRU are comprised of the following portals:
 - a. National Operations Voice Portal – (NOVP) - Maintenance - Core Voice and Broadband.
 - b. Retail Markets Voice Portal – (RMVP) – Consumer Provisioning – Core Voice and Broadband.
 - c. Retail Spanish IVRU – (CCVRS) – Consumer Provisioning – Core Voice.
 - d. CTI Screening IVRU – Maintenance / Provisioning – Core Voice.
- 3. CSSC and BSSC Resource Management. Supplier will monitor and manage the staffing levels. Supplier will evaluate impact of holidays, seasonal events, and promotional and marketing campaigns and recommend the necessary staffing levels. Supplier will create and validate Force Management Reports (“FMR”) and Site/Center Reports
 - a. Force Management Reports. Supplier will produce daily FMR for each of the Consumer and Business Call Centers. The FMR reports provide detailed data concerning Call Center performance measured by call handling times, occupancy rates and force utilization rates, as well as the specific accounting for how time is being spent in the call center environments. FMR provide data pertaining to employee hours spent in Call Centers for on line work as well as for the time spent doing necessary off line work, vacations, initial and developmental training, days off, absence, and several categories of miscellaneous time.
 - b. Site/Center Reports. Supplier will provide Site/Center reports monitoring Calls Average Handle Time (“AHT”), site occupancy rate (“OCC”), Service Level (“SVL”), and Average Speed of Answer (“ASA”).
- 4. Call Center Systems and Metrics Support. The Supplier Call Center Systems and Support (CCSS) will manage and coordinate the collaboration between the external business partner (EBP) environment and internal Verizon IT regarding voice, data network, and systems. Specifically, Tier 1 support will be provided to assist partner in the fault isolation, triage, and escalation of call center voice, data network, and system issues. CCSS will facilitate escalation to Supplier’s level two entities as necessary. CCSS will provide communication to center personnel and appropriate levels of management for system impacting issues. CCSS will be responsible for coordinating and communicating any network changes or maintenance to Buyers. ID management will be provided for access to call center support systems owned by Supplier. CCSS will provide standard call center reporting to include executive summary reports, intraday reporting used for service level management, compliance, and performance metrics. The metrics team will provide system support Monday through Friday 7:00 AM PT to 5:00 PM PT and 24x7x365 support for system outages.

5. FTTP Installation and Maintenance (I&M) Support. Supplier shall provide the process support for FTTP I&M technicians who perform installation and maintenance of the Broadband FTTP service.
6. Core Voice Installation and Maintenance Support. Supplier shall provide the process support for I&M technicians who perform installation and maintenance of Core voice services for Retail and Wholesale core services.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

PAOS.SAS.1 Sales Assurance and Support

Note: This Service excludes any support for any ISP product sales, including the retail non-tariffed DSL offerings to end-users.

DESCRIPTION

The Supplier will perform the following Sales Assurance Services

1. Channel Back Office Center (CBOC) services in support of Buyers' operations These services consist primarily of:
 - a. Customer interface for Win-back and natural return implementation for NE SRC and Portland/ Worcester NE BSRC.
 - b. Client support, implementation and error correction support to Fiber orders for business and consumer customer.
 - c. Error Correction Process and correction of pre and post completion order fall out for consumer and business customers.
 - d. Serve as customer and intra company interface by providing client support functions for consumer and business customers.
 - e. Processing of returned mail and correspondence for business and consumer customers.
 - f. Processing of consumer requests for Assistance Programs.
 - g. Account Maintenance support force consumer customers.
 - h. Directory listing error correction and service order writing for consumer, business, and wholesale customers
2. Sales Process Assurance services consisting primarily of Supplier centralized staff functions to identify quantify and correct process breakdowns that impact the Buyers' sales centers.
3. Billing Operations Support consisting primarily if issues resolution for LEC and LD billing process matters; Go-to-Market product billing requirements; tax and surcharge billing process support; Cofee system billing support; inter-Line of Business (LOB) interface; bill formatting.
4. Channel Product Support consisting primarily of the distribution and maintenance of up-to-date methods, training, and reference material. This Supplier group shall also provide daily field and staff support to the Buyers' sales channels.
5. Training & Vibe Support, consisting primarily of daily end user and author support relating to maintenance of existing reference material and implementation of new reference/communications in the Supplier knowledge management system, Vibe.
6. Scheduling Support for Consumer, Business and Channel Back office Operations Centers (CBOCs) through facilitation of weekly & bi-weekly calls and Learning Request tracking.
7. Sales Reporting and Tracking. This group is responsible for the creation, distribution and archiving of national and regional scorecards. This group is also responsible for the creation

and publication of accurate and timely reports needed for reliable objective setting, results tracking, action planning and decision making.

8. Sales Tracking. Supplier shall investigate missing sales for internal clients and create sales codes for employees to ensure accurate tracking of sales results.
9. Revenue Assurance, consisting primarily of identification, assessment and execution of comprehensive Revenue Assurance / recovery initiatives, claims process and adjustment management, including receivables management and the credit screening process.
10. CoFEE Channel Support. CoFEE support involves supporting all end users CoFEE clients located in the States. Support includes daily maintenance or modifications, and may involve after hours support for decision making and consideration as system outages occur and overall desktop migration and application impacts move forward. Support includes communication and maintaining desktop integrity for the sales channels to continue to operate and use CoFEE Ordering and CoFEE Billing desktop.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

PAOS.SYS.1 Systems Assurance and Support

Note: This Service excludes support for any ISP systems.

DESCRIPTION

The Supplier will provide the following Systems Assurance and Support functions to Buyers:

1. Supplier will support project management tasks associated with modifications, enhancements and updates to systems.
2. The supplier will test all monthly upgrades and enhancements of systems' environments for the Buyers in the areas of Voice platforms, products and services.
3. Supplier will support PC deployment, image maintenance, desktop issue resolution and on-site deployment for Buyers.
4. Supplier will provide Tier I system administration support for supported applications in the Buyers' Network centers encompassing User Help Desk Support, Release Management Coordination, Release Testing, IR & Change Control management, High Level Table Administration, Center Reconfiguration Coordination to support user reorganizations and Trouble Resolution.
5. During times of work stoppage, emergency or disaster, the supplier will deliver to Buyers, system guidance and access to systems to ensure continuity of service and support for its customers and to maintain its viability before, after, and during an event.
6. Supplier will deliver to Buyers the necessary Retail System/Desktop application support for existing billing and ordering systems.
7. Supplier will support Buyers by managing issues from the field and interacting with IT towards resolution. The supplier will provide BOSS ID Support and ROC Portal Support for the Buyers.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

RET.LVS.1 Livesource Operator Services

DESCRIPTION

1. Supplier will provide access to systems necessary to deliver the operator services, directory assistance and intercept services to the Customers in the States.
2. Supplier will provide force management scheduling to support a 24 X 7 operation on a 2 week in advance rolling schedule. Intra-day force adjustments will be available on a 7 X 17 X 365 days a week operation.
3. Supplier will provide LiveSource Assurance Center [LSAC] support and the LTS Operator workstation Support on a 7x24x365 to coordinate the administration and resolution of equipment and system related problems.
4. Supplier will continue to provide administrative support including the methods, procedures and training for Buyers' call centers.
5. Provide access to Operator Reference Database (ORDB) and related updates and support on a 7x24x365 basis.
6. In regards to the Line Information (LIDB) Database and the Customer Name and Address (CNAM) Database used for directory assistance, call completion and intercept services, the Supplier will:
 - a. Maintain and modify line record data associated with the residential and business Customers in the States in a Supplier maintained database. These line records will be available for both LIDB (3rd party billing) and CNAM (caller name information) queries by all industry entities who access the Supplier database on a 24x7 basis.
 - b. Store and maintain the Buyers line records
 - c. During the transition period, the following stipulations apply to query charges:
 - i. Supplier will incur no query charge for Supplier's LIDB and/or CNAM queries launched against the Buyers' line records that are stored in the Supplier LIDB database.
 - ii. Supplier will retain all query revenues associated with LIDB and/or CNAM queries launched by 3rd party companies against the line records of the Buyers that are stored in the Supplier LIDB database.
 - iii. Supplier will not charge Buyers for queries launched by Buyers against its line records that are stored in the Supplier's LIDB database
 - iv. Supplier will charge Buyers any 3rd party query charges incurred by Supplier on behalf of Buyers' end user Customers for LIDB and/or CNAM services
7. Supplier will reconfigure the distribution/queuing of OS/DA calls so that only States' originated calls are served in Buyers' call centers at the time of close and for the duration of the TSA period. [Nortel – DMS-200 – TOPS QMS]

ADDITIONAL REQUIREMENTS

1. Buyers are responsible for the maintenance of workstation hardware in each call center.

2. Buyers must enter into 3rd party vendor agreements with the same repair vendors that Supplier uses in these states to facilitate the repair process,
3. Buyers will be responsible to staff call centers as directed by Supplier's National Force Management Center. The staffing must be a 24X7 operation.
4. Buyers must provide supplier with branding requirements and announcements 60 days prior to the close of the transaction.
5. Buyers will be required to purchase a server to house the EMPSx system (estimated cost is \$150,000). The server will be used to provide transition services and will be located in a Supplier facility but will be owned by Buyers. The server will be installed and maintained by Supplier. Buyers will have no access to the server during the term of the Transition Service agreement. After the Cutover, Supplier will deliver the server to Buyers.

RET.MKT.1 Voice Product Management & Development

DESCRIPTION

Supplier will provide:

- A. Product management support services which consist primarily of the following.
 - 1. Supplier will maintain the life cycle of residential voice products that exist immediately prior to Closing
 - 2. Supplier will develop regulatory costs in support of tariff filings and regulatory proceedings immediately prior to Closing.
 - 3. Supplier may in its sole discretion, grandfather residential services as a routine course of business prior to and during the term of the Transition Period
 - 4. Supplier will make available existing written documentation for products, systems and processes.
- B. Channel Integration and Marketing Interface services include:
 - 1. Supplier will support product pricing changes implemented prior to closing, consisting of the Go-to-Market process
 - 2. Supplier will support affiliate and promotional discounts implemented prior to the Closing, consisting of the Go-to-Market process.
 - 3. Product bundles and discounts stay in effect as they have been determined prior to the Closing, with no enhancements
- C. Customer Interactions
 - 1. Supplier will use its existing commercial names when interacting with customers
 - 2. Supplier will use its existing voice and electronic platforms when interacting with customers

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

RET.MKT.2 Business Services Group Support Service

DESCRIPTION

Supplier will provide Buyers with user access and administrative support for the systems used to provide sales, Customer contact, order entry, and billing inquiry and adjustment functions for the support to high value small business Customers.

1. Billing Inquiry – Supplier will provide access to the on line reference system, VIBE, which contains methods and procedures for billing inquiry as well as regular updates
2. Reporting – Supplier will provide access to Customer Care Index (CCI) metrics based on survey responses related to Customer interactions with Buyers representatives. Supplier will provide sales tracking and individual stack ranking reports to measure the performance of the sales organization.
3. Service Delivery – Supplier will provide the customer existing interfaces supporting the Voice Response Unit scripting and routing utilizing existing scripts, processes, and procedures existing today
4. Operations Communications and Process Management – Supplier will provide the Buyers with access to VIBE for Methods and Procedures and BSG Direct
5. Training and Development – Supplier will provide the Buyers representatives with access to existing training programs and maintain scheduling of the processes associated with training on sales skills and back office skills
6. Sales Support – Supplier will provide sales support and tools for small business products launched prior to the Closing date utilizing an existing Go-To-Market process.
7. Operations and Technology – Supplier will provide all necessary 800 number requirements and historical reports related to performance requirements by the Public Utility Commissions
8. Force Management – Supplier will provide access and support for Electronic Management Performance System (EMPS) for workforce scheduling.
9. Sales Force Management – Supplier will help monitor and validate Force Management reports against service levels.
10. Product Management – Supplier will provide regulatory costs in support of tariff filings, regulatory proceedings and existing individual case base contracts in the renewal process.
11. Channel and Marketing – Supplier will provide support for new business products launched in Supplier Retail Channels prior to closing via our Go to market process.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

RET.PUB.1 Per Call Compensation (PCC) Administration

DESCRIPTION

Per Call Compensation (PCC) represents payment for dial around calls, 800, 888, etc., when no coin is deposited in the payphone. The “billing” for these calls is conducted on a quarterly basis, and the payments from IXC carriers are received one quarter later. Carriers are provided with a Payphone Service Provider (PSP) ANI listing of in-service pay telephones that the Buyers own as of the last day of the quarter. The IXCs validate this PSP ANI list by comparing the information Buyers have provided with information they receive from each LEC. For those ANI's that are verified as belonging to Buyers, the IXC pays Buyers a set amount for each call completed over the IXC's network, in accordance with FCC regulations.

The following activities will be undertaken by the Supplier for the administration of PCC activity on behalf of the Buyers in the States during the transition services period:

1. A complete ANI list will be submitted to carriers by the last business day of the first month following the end of each calendar quarter.
2. Authorization and quarterly letters will be submitted to carriers by the last business day of the first month following the end of each calendar quarter.
3. Supplier will provide standard PCC reports (ANI lists, receivables, etc.) when appropriate.
4. When current PCC payments are received, Supplier will separate supporting detail for the Buyers payphones and send that information to the Buyers. **NOTE:** Supplier will remain the holder of record for these ANI's until the Buyer has established appropriate certification with the PCC Clearinghouses
5. Supplier will provide PCC overview and training to Buyers upon request, and with applicable charges being billed to Buyers to cover Supplier's expenses incurred in conducting training.
6. Supplier will reimburse Buyers the compensation that Supplier received for the activity in the States for the Quarter(s) in effect during the transition services period.
7. Supplier will interact with appropriate entity on Buyers side to establish a PCC report/revenue distribution process.

ADDITIONAL REQUIREMENTS

1. Buyers will not make changes to existing processes during the transition services period.
2. Buyers will initiate activity required to establish PCC Clearinghouse(s) certification.
3. Buyers must have PCC certification by end of Transition Period.

RET.PUB.2 Pubcom Commission Check Production Service

DESCRIPTION

Supplier will provide the following Commission Check Production Services related to the public communications assets of Buyers. These services are provided from a Supplier check printing facility work center located in Upper Darby, PA.

1. Supplier will process, calculate and remit commission payments to the Buyers' public communications sales agents on behalf of the Buyers.
2. Supplier will work with Buyers' Public Communications group to resolve check issuance situations that do not meet criteria for payment
3. Supplier will print and distribute commission checks and statements to Buyers pay telephone customers
4. Supplier will send EFT notification to Buyers banks, so that the bank may pay Buyers customers that are designated as electronic pay
5. Supplier will perform customer maintenance function to add new customers to the customer file or change address information as needed including the W-9 process.
6. Supplier will provide Buyers with the necessary information required to prepare 1099 forms at the end of the year
7. Supplier will perform general ledger account reconciliations on a monthly basis only if Buyers is sourcing both general ledger and accounts payable services from Supplier
8. Supplier will record customer check deposits, refunds, returned checks, and other checks and perform accounting functions accordingly.
9. Supplier will provide Buyers representatives with one (1) commissioning report monthly from the VEGAS system upon request. NOTE: Monthly reports reflect a one month lag in commission reporting.
10. Supplier shall not make any payments or disbursements on behalf of Buyers.

ADDITIONAL REQUIREMENTS

1. Buyers will provide Supplier with the appropriate bank account number from which to debit customer commission payments.
2. Buyers will provide Supplier with appropriate letterhead/stationery (paper stock and envelopes), or will provide Supplier with corporate graphics in .gif format in order for Supplier to have paper stock imaged for use in generating customer commission checks and statements.
3. Buyers must establish an internal Public Communications group. (see # 2 above)
4. Supplier will continue existing policies and procedures to retain commission payment detail data as required by law that supports all required regulatory obligations
5. Buyers will provide Supplier with the information and data required for Supplier to perform its duties herein.

RET.PUB.3 Pubcom Retail Customer Service

DESCRIPTION

Supplier will provide the following Customer Contact Services to the Buyers related to the public communications organization from its National Public Sales & Service Center (NPSSC). The service is currently provided from a call center in Altoona Pa during the hours of 8:30 am to 5 pm ET. These services include:

1. Process inbound customer calls and requests for issues related to pay telephone services for Buyers' payphones. These services include:
 - a. Process orders for adds, moves and changes to existing service,
 - b. Provide for sales and installation of new service, including rate quotes for custom payphone services when applicable,
 - c. Resolve customers questions regarding the use of the pay telephone and related services,
 - d. Process requests for information about pay telephone usage,
 - e. Refer special requests to Buyers' Account Executive or comparable positions for contact or support.
2. Issue service orders for above-referenced items (when applicable) in existing service order system.
3. Process customer contact requests to issue refunds to customers for Billing disputes or credit balances consistent with current practices in the public communications organization.
4. Interact with Account Executives in response to customer inquiries or issues, and handle to resolution based upon input
5. Administer incoming customer mail and refer to appropriate group for handling of customer inquiries or issues.
6. Coordinate the administration and resolution of Public Utility Commission customer complaints referred via VeCTR complaint system. Respond to all issues timely.
7. Maintain existing service in the NPSSC as are maintained at the time of Closing for calls offered Access, Average Speed of Answer, and Speed of Issuance.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

RET.PUB.4 Pubcom Dispatch Service

DESCRIPTION

1. The Supplier will provide the Buyers with dispatch services for installation, repair and collection functions related to Supplier-provided pay telephone services.
2. Provide Hand Held Terminal (HHT) support associated with the 8,100 Public pay telephone lines in the States.
3. Administrative support for the supervisors and associates working in this area
4. Hours of operation are Monday through Friday from 7:30 a.m. ET to 4:30 p.m. ET

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

RET.PUB.5 Pubcom Coin Counting Service

DESCRIPTION

Supplier will provide the coin counting service for the Buyers' payphone service provided in the States. This service includes the transporting, counting administrative support and disposition of all collected monies from coin phones for the Buyers.

ADDITIONAL REQUIREMENTS

1. Buyers will provide Supplier with appropriate bank account information so that deposits for the coins collected can be properly deposited after counting.
2. Buyers must enter into an agreement with TelcoSolutions Inc. to perform certain work including the processing of public payphone refunds. Supplier currently outsources the Customer refund process work.

RET.PUB.6 Customer Contact Center Service

DESCRIPTION

Supplier will provide the following Customer Contact Services to the Buyers related to the independently owned payphones operating in the States. The service is currently provided from a call center in New York, NY during the hours of 8 am to 5 pm ET. These services consist primarily of:

1. Process inbound customer calls and requests for issues related to pay telephone services for independent payphone providers. These services include:
 - a. Process orders for adds, moves and changes to existing service
 - b. Provide for sales and installation of new service, including rate quotes for services when applicable
 - c. Resolve customers questions regarding network service offerings and related services
2. Issue service orders for above-referenced items (when applicable) in existing service order system.
3. Process customer contact requests to issue refunds to customers for billing disputes or credit balances consistent with current practices in the Supplier organization.
4. Administer incoming customer mail and refer to appropriate group for handling of customer inquiry or issue.
5. Coordinate the administration and resolution of Public Utility Commission customer complaints referred via VeCTR complaint system. Respond to all issues timely.
6. Administer the tracking and reporting of Independent Payphone Providers vendor per call compensation data.
7. Maintain existing service as are maintained at the time of Closing for calls offered Access, Average Speed of Answer, and Speed of Issuance.
8. Upon completion of the transition services period Supplier will redirect the inbound customer call trunks to a TBD termination point identified by the Buyers.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

RET.PUB.7 Smart Set Management Service

DESCRIPTION

Supplier will provide system provisioning for all lines with smart sets within the States. The service will be provided from the Gemini center during the hours of 8 a.m. to 5 p.m. ET Monday through Friday and the TAC center during the hours of 8 a.m. to 5 p.m. CT Monday through Friday. This service consist primarily of:

1. Provide for the provisioning and maintenance of the smart set functionality.
2. Ensure diagnostics via MRS are providing maintenance tickets.
3. Investigate activity reports.
4. Maintain coin telephone smart set chassis instruction integrity.
5. Provide single-point-of-contact (SPOC) for trouble resolution for rating and routing anomalies.
6. Upon completion of the transition services period Supplier will remove all smart set lines from the respective databases.

ADDITIONAL REQUIREMENTS

1. Buyers must establish their own smart set platform and/or procure these services from an appropriate entity, and will work with Supplier to implement a smooth transition of services from the Suppliers platform to the TBD smart set platform.

VPS.SR.1 Wholesale Service Requests

DESCRIPTION

Supplier will provide the following services to the Buyers' wholesale and enterprise Customers:

1. Local Service Requests (LSR) pre-order and order: Supplier will make its systems available to Buyers' wholesale Customers for pre-order validations. Buyers' wholesale Customers will send electronic service requests using Supplier's available systems. Electronic LSR are received via a direct data link or are manually sent to Supplier. Fallouts are handled by Supplier's service representatives who directly interface with the Buyers' wholesale Customers, field personnel, or Central Office personnel when necessary.
2. Access Service Requests (ASR) pre-order and order: Supplier will make its systems available to Buyers' wholesale Customers for pre-order validations. Buyers' wholesale Customers will send electronic service requests using Supplier's available systems. Electronic ASR are received via a direct data link or are manually sent to Supplier. Fallouts are handled by Supplier's service representatives who directly interface with the Buyers' wholesale Customers, field personnel, or Central Office personnel when necessary.
3. LSR and ASR provisioning: Supplier will provide provisioning coordination for LSR and ASR through its provisioning centers. Supplier will interact with Buyers' field and Central Office personnel to coordinate the successful provisioning of wholesale services.
4. LSR trouble administration: Supplier will make its systems, and website, available to Buyers' wholesale Customers for troubleshooting LSR. The Supplier National Operations Center will receive trouble reports electronically or via telephone. : Supplier will make available to Buyers the necessary contact information for ordering, provisioning, and troubleshooting of Local Service Requests.
5. ASR trouble administration: Supplier will make its systems, and website, available to Buyers' wholesale customers for troubleshooting ASR. The Supplier will accept trouble reports electronically or via telephone. Supplier will make available to Buyers the necessary contact information for ordering, provisioning, and troubleshooting of Access Service Requests.
6. Subscription Services: Supplier will provide CARE (Customer Account Record Exchange) functionality to Buyers using the Xpress Electronic Access (XEA) system. CARE will be provided to Access Customers (ACs) for CARE transactions currently supported by XEA and will include provision of CARE products to ACs that subscribe to such services. CARE records will be provided to the respective ACs for AC initiated activity as well as end user/business office initiated activity.
 - a. Supplier will provide CARE to ACs on behalf of the Buyers for AC initiated PIC changes, product requests by ACs, and end user initiated activity via Supplier's business offices.
 - b. Supplier will provide EAPOC (Equal Access Point Of Contact) services to ACs on behalf of Buyers.
 - c. Supplier will provide billing extracts from XEA to the Supplier's CABS (Carrier Access Billing System) system for billing CARE product related activity.
 - d. Supplier will utilize XEA, under current operating practices, to provision appropriate AC initiated PIC change requests.

- e. Supplier will maintain AC customer profiles and AC requested methods of CARE delivery using current provisioning processes.
 - f. Supplier will complete the necessary table updates in XEA in order to maintain AC and supplier network arrangements and AC CIC participation.
7. MCO & ECS Support Services: Supplier will provide methods and procedures support for Special Services installation and maintenance activities for Enterprise Customers, Special and Switched access ordering, installation, and maintenance activities for wholesale Customers, and Customer Care Center ordering and billing of ILEC services for Enterprise Customers.
8. Wholesale Bill Processing Support Services: Supplier will provide the following billing services to the Buyers
- a. Build/maintain CABS tables and databases
 - b. Perform daily/cyclic/monthly system balancing
 - c. Maintain CABS processing schedule
 - d. Perform post bill verification (rates, formats, calculations, etc.)
 - e. Usage error correction
 - f. Bill inquiry services
 - g. Treatment & Collections services, consisting primarily of 3rd Party notifications interface(s) and Customer notification systems.
 - h. BDT/Paper bill release
 - i. Supplemental billing of miscellaneous products (QLIBS, MABS, TAS, Excel)
 - j. Perform user acceptance testing on CABS system releases
 - k. Perform billing system business requirements
9. Customer Information and Communication Services: Supplier will provide the following Customer information and/or information access services:
- a. Performance Assurance Plan Reports
 - b. Customer unit/revenue database access (Intelligence)
 - c. Ventana Reference and Training Tools
 - d. Industry Letters
10. Field Operations Support: Supplier will provide support for station premise installation and repair work activities of Buyers' field forces who support Wholesale, Enterprise (POTS & Specials) and General Business special service customers.
11. CLEC Project Management Service: Supplier will provide collocation related support from receipt of an application to final billing of the arrangement. Supplier will also provide project management support of all large CLEC and IEC switch efforts and SS7 Certifications for all customers. Supplier will provide E911 Services. Supplier will provide carrier subscription Services for PIC and LPIC.
12. Fast Packet and Enhanced Product Support: Supplier will provide Fast Packet (Frame Relay, ATM, TLS, IP/VPN and GigE) provisioning and maintenance support for wholesale

and retail customers. Supplier will also provide support for Direct Internet Access (DIA), Domain Name Email (DNE), Domain Name Services (DNS) for Broadband (DIA, Fiber, DNE and DSL) and ISDN LAN services connectivity.

13. Enterprise Ordering and Billing Support: Supplier will provide Buyers with customer contact, order entry and billing inquiry and adjustment functions for enterprise customers.
 - a. Supplier will complete 800# call forwarding requirements for enterprise customer contact calls for ordering and repair.
 - b. Supplier will complete the programming access changes reasonably requested for Buyers to access customer accounts and records and route orders through the provisioning departments for service implementation.
 - c. Supplier will deliver reasonably requested customer data to the Buyers pertaining to regulated services and associated billing records and profiles.
 - d. Supplier will deliver historical reports pertaining to the contact center operations and performance as set forth by the Public Utilities Commission.
 - e. Supplier will provide administrative support for legacy systems and processes.
 - f. Supplier will maintain records of order volumes and measurements.

ADDITIONAL REQUIREMENTS

1. Wholesale Bill Processing Requirements:
 - a. Buyers will provide an interface to Supplier's Wholesale customer billing management function for billing operations, financial management, regulatory and production support issues coordination.
 - b. Buyers will pay postage/overnight delivery charges for bill mailing at the actual rates incurred each month.
 - c. Buyers will provide any bill inserts to be included in bill mailings within the Supplier's bill insert parameters.
 - d. Buyers will incur cost of any 3rd Party collection service.
2. Enterprise Ordering and Billing Requirements:
 - a. Buyers will adhere to service standards as stipulated by the Public Utilities Commission and as otherwise reasonably requested by Supplier.

VPS.DB.1 LNP, 8XX, SS7 Database Services

A. LOCAL NUMBER PORTABILITY

DESCRIPTION

LNP is an advanced intelligent network capability which utilizes the common channel signaling network to query a database to secure network routing instructions before completion of a call. This database contains the Location Routing Number (LRN) that identifies the switch of the local exchange carrier that serves an end user with a ported directory number. The LRN is used to direct the call to the correct network switching element for completion to the end user. Where more than one network is involved in completing the call, the network carrier transporting the call prior to termination (the N-1 Network Carrier) is normally responsible for querying a SPNP database to secure the LRN which is then used in routing the call.

When an N-1 Network Carrier queries the Buyers to obtain an LRN ("LNP Database Query"), the Supplier will provide access to and use of its LNP database by the Buyers.

When an N-1 Network Carrier does not perform its own LNP database query, and forwards an unqueried call to an end office or tandem switch in the Buyers' network for a NXX designated as a number portable code in the National Exchange Carrier Association Inc. F.C.C. No. 4, the Supplier will provide access to and use of its LNP database to the Buyers for purposes of completing an LNP query ("LNP Default Query").

For both LNP Default Queries and for LNP Database Queries, Supplier will return all LRN routing information to Buyers using industry standard SS7 TCAP messaging format.

ADDITIONAL REQUIREMENTS

1. LNP Default Query
 - a. Buyers will maintain connectivity to Supplier's STP pairs where the Supplier's LNP databases are located.
 - b. Buyers will send all LNP queries to the Supplier's LNP databases using industry standard SS7 TCAP messaging format
2. LNP Database Query
 - a. Buyers will initially receive the LNP database queries from the LNP Database Query customer at Buyers' STP pair.
 - b. Buyers will pass thru all LNP database queries to the Supplier's LNP databases using industry standard SS7 TCAP messaging format
 - c. Supplier Buyers will be responsible for passing LRN information back to the inquiring carrier.
 - d. Buyers must establish a relationship with Neustar to administrate the LNP activity. Neustar performs the LNP administration activity for the telecommunications industry

B. 800 DATABASE ACCESS SERVICE

DESCRIPTION

1. Supplier will provide Buyers 800 Database Access Service. The service provides the call screening and routing information needed to switch route toll-free originating traffic. Supplier's 800 Database Access Service will accept 8xx queries from and provide responses to Buyers' queries from Supplier's 800 Data Base as requested, including Automatic Message Accounting, routing information, call status and maintenance and control information.
2. Supplier will provide Buyers with continued access to the 800 Database through the current SS7 connections.
3. Supplier will store toll free data in the Supplier 800 Database in the same format used by Supplier for its own data and will permit access to the Buyers for toll free queries.
4. Supplier will provide a Response to each Query transmitted by Buyers to the Supplier 800 Database.
5. Use of Data
 - a. Supplier will maintain an 800 database which contains toll free records, including call processing information.
 - b. Supplier shall not be liable for any fraud or uncollectibles experienced by Buyers on 8xx queries where the carrier selection was determined through the utilization of 800 Database Access Service.
 - c. Supplier shall not be liable for inaccuracies in the information stored in the 800 database where the carrier selection was determined through the utilization of 800 Database Access service.

ADDITIONAL REQUIREMENTS

1. Buyers will provide the list of required information as follows: company name, each LATA, CLLI code for each SSP, originating point codes, NPA/NXX of OSS system which originates queries.
2. 800 Database Query:
 - a. Buyers will launch 8xx queries to the Signaling Transfer Point (STP) where Buyers interconnects with the Supplier SS7 network. Buyers must connect with a Supplier STP in order to query the Supplier query the Supplier Signaling Control Point (SCP) (800 Database).
 - b. All queries to the Supplier database shall use the query and response formats set forth in the appropriate section of the Telcordia publication TR-TSY-000024.
 - c. Buyers acknowledges and agrees that the SS7 network overload due to extraordinary volumes of queries and/or other SS7 network messages can and will have a detrimental effect on the performance of the Supplier's SS7 network. Buyers further agrees that Supplier, in its sole discretion, shall employ certain automatic and/or manual overload controls within the Supplier's SS7 network to guard against these detrimental effects. Supplier shall report to Buyers any instances where overload controls are invoked due to Buyers' SS7 network and Buyers agrees in such cases to take immediate corrective actions as are necessary to cure the conditions causing the overload situation.
3. Use of Data

- a. Buyers will not perform any functions which are not expressly provided under this Agreement, nor access data contained in the 800 database which belongs to any other entity.
- b. Buyers will not store, copy, maintain or create any table or database from any response received after initiating an 8xx query to the Supplier's 800 database.

C. SS7 Interconnection Services

DESCRIPTION

1. Supplier will provide SS7 interconnection and transport services to the Buyers.
2. Supplier will route SS7 messages to/from its STP pairs to various applications which utilize SS7 messaging (LIDB, LNP, etc.)

ADDITIONAL REQUIREMENTS

1. Buyers will provide the SS7 links to interconnect existing switching centers and/or STPs to the Supplier's STP pairs.

VSO.FO.1 Payroll and Time Reporting

DESCRIPTION

Supplier will perform Payroll and Time Reporting services for Buyers in support of operations in the States consisting primarily of:

1. Calculate payment to employees based on a standard time reporting Weekly and Biweekly pay cycles will be supported for Buyers employees. Payroll processing will be handled through On-cycle and Off-cycle processing.
2. Record and report additional earnings as transmitted by Buyers to Supplier's designated payroll service center for payment and recording in employee earnings, These items consist primarily of:
 - a. Awards
 - b. Discretionary bonus
 - c. Incentive compensation payments
 - d. Sales incentives/Commissions
 - e. Retroactive payments
 - f. High housing cost allowances
 - g. Cost of living adjustments
 - h. Field premiums
 - i. Site allowances
 - j. Per diem
 - k. Sign on bonus
 - l. Imputed income
 - m. Tuition aid
 - n. Military pay/jury duty
 - o. Short Term Disability payments
 - p. Workers Compensation
 - q. Vehicle allowance or usage for personal or company owned vehicles
 - r. Tax gross-ups when required.
 - s. Other, consistent with prior practice and reasonably requested by Buyers.
3. Maintain earnings and deduction codes tables within Supplier's PeopleSoft HCM payroll system.
4. Record, report and remit (live checks via Supplier's Accounts Payable or via ACH Wires via Supplier's Treasury Department) employee deductions, (Deductions can be less than before sale but no new deductions will be established post Close Date) sent by Buyers for inclusion in employee master file. Deduction funding will be handled by Buyers with Supplier's Treasury Department and deduction remittances will be processed in the same manner as before close i.e., ACH vs. Accounts Payable live checks. These deductions consist primarily of:
 - a. Savings and Investment deductions (401K)
 - b. Garnishments, Child support, Bankruptcy, IRS Levy deductions, & other such deductions

- c. Flexible Reimbursement Plans (FRP)
 - d. Insurance deductions
 - e. Bond deductions
 - f. Health Clubs
 - g. Union Dues
 - h. Other miscellaneous deductions consistent with prior practice
5. Record into Supplier's payroll processing system- PeopleSoft HCM, Credit Union or Bank additions/changes/deletions for direct deposit transactions submitted by Buyers employees to Supplier's payroll service center.
 6. Calculate, record, and remit payroll taxes (Federal, State, Local, Unemployment, and FICA) to the appropriate government authorities for Buyers. The Supplier for Buyers will handle all related tax filings. The processing of payroll ACH tax payments will be handled by Supplier's Treasury organization. Supplier will handle remittance processing in the same manner as prior to the Close Date. – i.e., via ACH or Accounts Payable.
 7. Remove Buyers from current tax processing utilizing Supplier's Common Pay Agent. Payroll taxes will be filed and remitted for one Buyers legal entity.
 8. Record into Suppliers payroll processing system-PeopleSoft HCM, W-4s (employee tax withholdings) submitted by Buyers employees to Suppliers payroll service center.
 9. Process annual W-2s and related reporting on behalf of Buyers. Distribution of annual W-2s will follow paycheck/advice distribution. Supplier will provide Buyers with annual W-2 related information for their processing of annual W-2s for the particular year in process. Supplier will provide Buyers with data needed to meet annual W-2 reporting requirements.
 10. Print and distribute payroll checks and advices to Buyers' work locations. Buyers will incur all overnight courier services required for paycheck/advice distribution, as required.
 11. Maintain check distribution using Maildrops and Paymaster functionality.
 12. Provide manual checks as required. Supplier will charge per item additional fee for this processing.
 13. Reconcile Buyers' general ledger payroll accounts during such periods that Buyers uses Supplier's payroll system and general ledger system.
 14. Transmit payroll files to update Buyers' General Ledger.
 15. Provide interface files for processing deductions, taxes, bank files i.e., direct deposit transactions with vendors, financial institutions, courts, labor agencies on behalf of Buyers in the same manner as prior to close and Treasury Operations files. Includes mechanized feeds automatically transmitted to Accounts Payable, bank file containing direct deposit for Net Pay, tax files for processing tax payments.
 16. Supplier will enter Buyers employees (FT, PT) exception time reporting into payroll processing systems –PeopleSoft HCM (holiday, overtime, shift hours and differential, on call hours and other work hours). Buyers will be responsible for submission of exception information via Supplier's time entry system at the time of close or any successor system.
 17. Supplier will provide customer support for phone inquiries about employee payroll activity via Suppliers 800 number.
 18. Supplier will continue existing policies and procedures to retain data/records required by law that supports normally required tax and regulatory obligations.

19. Supplier will fully test paycheck and advice with the bank upon receipt of company name, bank account information, company logo, and treasurer signature. Required at a minimum of five (5) weeks prior to transitional services being implemented.
20. Supplier will be required to determine if the Buyers will be required to register in each state to conduct business in the states, due to name change. Supplier will establish unemployment tax set up in each state with employees working in those states.
21. Supplier will continue to provide payroll and time reporting support in a controlled environment meeting the standards required for financial reporting compliance with Sarbanes-Oxley.

ADDITIONAL REQUIREMENTS

The requirements of the Buyers are:

1. Buyers agree to utilize Supplier's current systems or any successor systems. Further, Buyers agree to make its employees available for any required training to properly utilize such systems.
2. Buyers employees will continue to use Supplier Self Service functionality as well as Payroll Services Voice Portal for access to employee current and prior pay-stubs, W2s as well as change, add or delete transactional information, i.e. direct deposit account information, W4 tax information etc.
3. Buyers shall use then existing processing schedules and calendars.
4. Buyers must independently negotiate terms with the same third party vendors used prior to the Closing Date. Failure to negotiate such terms will result in the termination of deductions reporting.
5. Buyers will ensure that Supplier PAC and Supplier PIP-Charitable Contribution deductions will be discontinued for all Buyers employees.
6. Buyers will consolidate all of its employees into a single legal entity. A new company will be established and registered in the states which Buyers will provide services. The new company will have its own FEIN. Buyers will provide company name, bank account information, company logo, treasurer signature at a minimum of five weeks prior to Supplier providing Transition Services.
7. Buyers to use Supplier's time reporting system of record at close. If Supplier replaces current time reporting system i.e., Workbrain, Buyers will make personnel available for required training at a date and time mutually agreed upon with Supplier.
8. Buyers will conform to all Supplier's policies as it applies to security and data protection and Buyers will comply and make necessary changes within a reasonable timeframe to meet those requirements
9. Buyers will attain transitional service agreements with Supplier organizations which allow continuance of payroll and time processing in the same manner as pre Close Date:
10. Human Resources (Employee Service Center (ESC), Absence Management (STD), etc Vendor contracts to be established and maintained for the Transition Services period.
 - a. Treasury - ACH Remittances
 - b. Accounts Payable

- c. General Ledger
- d. Information Technology

11. Buyers will identify the single Legal entity, which will house the employees and be a party to this TSA.
12. Buyers will assume direct billing for All US mail postage and overnight courier costs for the distribution of pay checks, pay stubs, or W2s will be incurred by Buyers.

VSO.FO.2 Accounts Payable

NOTE: This service is provided only for the local exchange telephone business of NNETO, and does not provide any transition support to any other portions of the Spinco Business.

DESCRIPTION

1. Supplier will receive and record invoices for purchase order related items that are mailed directly to Supplier's Accounts Payable Shared Services Center ("AP/SSC") by NNETO' vendors. The AP/SSC is located at 770 Elm St., Manchester, NH 03101. Hours of operation for the Accounts Payable Shared Services Center are 7 AM ET to 5:30 PM ET.
2. Supplier will receive and record miscellaneous purchases that are approved by the appropriate NNETO supervisor and mailed to the AP/SSC.
3. Supplier will process expense reports and invoices, from submission to notification.
4. Supplier will enter accounts payable transactions on behalf of NNETO. This information will be processed and transmitted weekly to the NNETO' General Ledger.
5. Supplier will work with NNETO' purchasing group to resolve invoices that do not meet existing criteria for payment.
6. Supplier will print and distribute checks to NNETO vendors.
7. Supplier will maintain level of security for the equipment and check stock consistent with Supplier's existing policies.
8. Supplier will send EFT notification to NNETO banks, so that the banks may pay NNETO' vendors that are designated as electronic pay.
9. Supplier will perform vendor maintenance function to add new vendors and/or employees to the vendor file or change address information as needed.
10. Supplier will mail W-9 forms to new vendors to obtain vendor's tax identification. Supplier will provide NNETO with the necessary information required to prepare 1099 forms at year-end.
11. Supplier will perform general ledger account reconciliations on a monthly basis only if NNETO is sourcing both general ledger and accounts payable services from Supplier.
12. Supplier will record vendor check deposits, refunds, returned checks, and other checks and perform accounting accordingly.
13. Supplier will establish and maintain recurring payment accounting as requested.
14. Supplier will continue existing policies and procedures to retain expense detail data as required by law that supports all required tax and regulatory obligations.
15. Supplier will provide NNETO' representatives with electronic access to A/P scanned records.
16. Supplier shall not be obligated to make any payments or disbursements on behalf of NNETO.
17. Supplier will perform duplicate prevention and recovery functions.

ADDITIONAL REQUIREMENTS

1. NNETO will provide Supplier with information and data required for Supplier to perform its duties herein.

VSO.FO.3 Customer Billing Operations

DESCRIPTION

The Supplier will perform Customer Billing Operations functions required for Customers in the States. The services will be performed in the same manner and using the same systems that are used prior to Closing. The services that the Supplier will perform are:

1. Toll investigation and error correction services consisting primarily of the correction of usage errors, guide errors, WATS errors and paper toll discrepancies.
2. One Stop Investigation functions consisting primarily of investigating and determining corrective action for business office customer billing inquiries. Billing inquiries include: refunds, misapplied payments, toll billing issues, and billing adjustments and transfers.
3. Independent Company Billing function consists primarily of manual billing for certain Independent Telephone Companies in New England. Manual billing functions include preparation & mailing of bills, posting of charges/adjustments, payment of settlements, revenue/cash reporting and reconciliation. Invoiced items include charges for Directory Assistance, Call Completion, SS7 and Annual Lease Agreements.
4. Miscellaneous Customer Billing Operations functions consisting primarily of Final Written Off account management, miscellaneous manual adjustments, UCI error correction, Calling Card requests, DAK investigation, tax exempt request processing, miscellaneous refund requests and cash and toll header processing.
5. Supplier will provide cost recovery billing reports.

ADDITIONAL REQUIREMENTS

The requirements of this service are:

1. Buyers will not make changes to any bill format or payment remittance stub.
2. Buyers will not make changes to the structure and composition of the customer account number and bill number will not change.

VSO.FO.4 Special Projects Billing & Claims Processing Services

DESCRIPTION

Supplier will provide the following Special Projects Billing Services to Buyers:

1. Receive and post Miscellaneous Billing Requests to bill services such as joint pole billings, rentals and any services not billable through other billing systems. Billing and Receivables will be recorded in the general ledger provided on the Closing Date.
2. Receive and process plant and motor vehicle damage report and costs.
3. Perform Plant cost recovery for highway or plant relocations
4. Process billing corrections, adjustments, cancellations and write-offs.
5. Manage vendor activities associated with the collection of plant and motor vehicle property damage receivables.
6. Supplier will provide cost recovery billing reports.
7. Payments will be processed by Supplier's remittance centers in Hunt Valley, MD or Cranford, NJ. Payment files will be processed in MARS.
8. The structure and the composition of the customer account number and bill number will not change. Hours of operation for Special Projects Billing Services are 8:00 to 4:00 ET.

ADDITIONAL REQUIREMENTS

1. Buyers will not make changes to the bill format and payment remittance stub.

VSO.FO.5 Remittance Processing Service

DESCRIPTION

Supplier will perform payment processing and payment error correction for Buyers. Supplier will:

1. Receive and process payment sent to Supplier's Remittance Processing Center (RPC) in Menands NY or Hunt Valley MD. This consists primarily of extraction, data & image capture, keying, check encoding, conversion of eligible consumer payments to Accounts Receivable Conversion as well as the creation of the bank deposit and payment posting file. The existing remittance addresses are: Post Office Box 1, Worcester MA 01654-0001 (BCRIS), Post Office Box 15151, Worcester MA 01615-0151 (Long Distance), Post Office Box 15071, Albany NY 12212-5071 (BCRIS Pre-collects), Post Office Box 1939, Portland ME 04104-5010 (NE BCRIS RAO 3), Post Office Box 9778, Portland ME 04104-5078 (Long Distance), Post Office Box 37210, Baltimore MD 21297-3210 (CABS – Carrier) and Post Office Box 37288, Baltimore MD 21297-3288.
2. Investigate payments received without complete and accurate customer account information.
3. Investigate payments that do not match a record in the billing system
4. Investigate customer payment claims.
5. Use commercially reasonable efforts to deposit all customer checks daily to the bank or send electronic ACH (Automated Clearinghouse) file with ARC transactions.
6. Transmit posting file with current day's processing activity to the Supplier's IT billing system mainframes.
7. Supply necessary information to balance payment processed with bank deposit and posting file.
8. Supplier will implement a trickle cash process (60-90 days) after the billing migrates from Supplier. Supplier will continue to process any payments received during this period.
9. Electronic files will be transmitted in either a standard EDI 820 format, E-mittance proprietary format or the Supplier's comma delimited format.
10. Supplier will maintain the then existing process for Change of Address Requests should Buyers choose to have the form remain on the back of the payment page.
11. Supplier will maintain the then existing process for customer enrollment to the Direct Debit Payment Option (DDPO) should Buyers choose to have this form remain on the back of the payment page.
12. Supplier will produce then existing reports used for daily balancing and reconciliation.
13. Supplier will assist Buyers to resolve items that do not meet existing processing criteria.
14. Supplier will assist Buyers to resolve issues related to processing of customer payment claims.
15. Supplier will process Buyers checks and create paper/electronic bank deposits
16. Supplier will enter Buyers processed checks in daily bank deposit.
17. Supplier will maintain then existing level of security for the RPC and payments.

18. Supplier may decline, in its sole discretion, to provide custom reports or software.
19. Maine Regulators require remittances to be mailed to an in state location. Supplier utilizes a third party a courier to drive the remittances (Monday – Saturday) from Portland ME to Worcester MA where the work is combined with other New England payments and sent to the Menands RPC.

ADDITIONAL REQUIREMENTS

1. Buyers will maintain the existing depository bank relationship.
2. Buyers will establish their own contracts with payment agents. Supplier will process the payments taken by the agents.
3. The Buyers assume responsibility for the payments to payment agents.
4. It is the Buyers' responsibility to negotiate the courier contract with this same courier to continue to perform this delivery service during the transition period. The approximate cost is \$150 per day.

VSO.FO.6 Emittance Payment Processing Service

DESCRIPTION

Supplier will perform electronic payment processing and payment error correction for Buyers' remittances that are received electronically. The service includes:

1. Processing and matching electronic payments with accounts receivable systems within various billing systems.
2. Investigation and resolution of the payments that cannot be matched with the Supplier's current accounts receivables systems. eMittance creates electronic payment posting files and transmits to the billing systems. eMittance stores all electronic payment files, provides online cash control reporting and balancing, online electronic payment exception and error correction with a knowledge database, payment investigation, and vendor error feedback for report cards.
3. Supplier will provide Buyers with remittance bank return processing services comprised of:
 - a. Process returns that are received via BONY centralized dishonored check process.
 - b. Investigate returns received that do not match payments in the billing system.
 - c. Investigate customer payment/return claims.
4. Supplier will produce the then existing reports used for daily balancing and reconciliation,
5. Supplier will assist Buyers as reasonably requested on issues related to processing of unidentified payments/returns and in the resolution of item that do not meet existing processing criteria.
6. Supplier will assist Buyers as reasonably requested on issues related to processing of customer payment/returns claims
7. Supplier will enter Buyers processed payments/returns on nightly payment posting files.
8. Supplier will maintain the level of security for the RPC and Payments/returns consistent with Supplier's then existing Policies.
9. Supplier is under no obligation to provide custom report or software.
10. Supplier shall not process payments from non-contracted, unauthorized payment agents.

ADDITIONAL REQUIREMENTS

1. Buyers will maintain the then existing bank relationship.
2. Buyers must enter into agreement with the existing Payment Agent CheckFreeePay (formerly American Payment Systems) to perform these same payment services as the vendor currently provides Supplier.
3. Buyers must enter into agreement with the consolidators mentioned in # 10 above to authorize the acceptance of payments from these unauthorized agents.
4. Buyers shall negotiate their own bank fees and be responsible for all resulting costs, fees, and expenses.

VSO.FO.7 Return Check Processing Services

DESCRIPTION

Supplier will provide Buyers with remittance bank return processing services comprising of:

1. Process returns that are received via BONY centralized dishonored check process.
2. Investigate returns received that do not match payment in the billing system.
3. Investigate customer payment/return claims.
4. Supplier will assist Buyers as reasonably requested on issues related to processing of unidentified payments/returns and in the resolution of items that do not meet existing processing criteria.
5. Supplier will assist Buyers as reasonably requested on issues related to processing of customer payment/returns claims.
6. Supplier will enter Buyers processed payments/returns on nightly payment posting file. Supplier will produce the then existing reports used for daily balancing and reconciliation.

ADDITIONAL REQUIREMENTS

1. Buyers will maintain the existing bank relationship.
2. Buyers shall negotiate the bank fees and be responsible for all resulting costs, fees, and expenses.

VSO.FO.8 Bill Print And Distribution Center

DESCRIPTION

Supplier's Bill Print & Distribution (BP&D) Center will provide billing service, enclosing and distribution services and printed output media services to the Buyers.

ADDITIONAL REQUIREMENTS

1. Buyers shall provide print data files in AFP format along with associated PDF and K48 –type files for manifesting.
2. Buyers shall provide associated Streamweaver created reports for balancing and statistical tracking.
3. Buyers shall provide print data files in accordance with existing bill statement mailing schedules to accommodate meeting PUC/PSC requirements.

VSO.SUP.1 Fleet Support Center Services

Description

Supplier will provide Buyers employees access, use and administrative support to systems to perform the invoice payment process and the fuel process operations for the vehicle fleet.

1. Supplier will monitor bulk fuel sites daily and order fuel as needed. If repairs are needed, trouble calls will be made to Buyers personnel as prescribed by Buyers.
2. Supplier will provide call center services for the dispatch of work and creation of work orders within the fleet system.
3. Supplier will process fuel invoices through the vendor payment process and commercial fuel logs will be maintained.
4. Supplier will deliver to Buyers vendor and invoice records through access to FleetTracker.
5. Supplier will provide within a reasonable time existing reports regarding the historical maintenance and repair of vehicles, mobile tools and trailers obtainable through the FleetTracker system. The reports are the reports required by the governing Public Utilities Commission.
6. Supplier will retrieve all Voyager fuel credit cards on the Closing date.
7. Supplier will pull insurance cards from all vehicles effective with the Closing date.
8. Supplier will remove all IFTA / IRP apportionment tags effective with Closing date.

ADDITIONAL REQUIREMENTS

1. Buyers must negotiate new contracts for the purchase and provisioning of fuel for all vehicles and mobile tools.
2. Buyers will arrange for all vehicle maintenance and repair services with new vendors or with existing Supplier vendor(s).
3. Buyers is responsible for all vehicle expense incurred after the Closing date.
4. Buyers is expected to assume full responsibility for all affected Supplier maintenance and repair facilities per the contract.
5. Buyers must provision insurance cards prior to Closing so that all vehicles are properly insured.
6. Buyers will apply for the appropriate IFTA/IRP documents and secure apportionment tags in advance of Closing so these vehicles are properly tagged for daily operation.
7. Buyers will be responsible for assuring vehicle titles are properly transferred and vehicles are licensed in accordance with the laws of the state.
8. At the Buyers discretion all manufacturers' warranties and service contracts should be transferred to the Buyers. Any charges and fees to facilitate this transfer will be the Buyers responsibility.

VSO.RE.1 Centralized And Portfolio Management Services

DESCRIPTION

Supplier will provide administrative support services with respect to lease administration, real estate transactions and real estate strategic planning activities required for the Owned Real Property and Leased Real Property in the States. These services include the processing of service orders, processing and payment of invoices and other administrative support services. These activities consist primarily of:

1. Prepare and submit monthly lease invoices for payment.
2. Negotiate lease renewals and lease terminations under the direction of the Buyers.
3. Manage real estate administrative space portfolio (including life cycle and exit strategy for each property).
4. Provide Buyers with access to a web interface to enter work requests electronically.
5. Process for payment approximately 4,000 utility invoices / 800 non-utility invoices thru the National Invoice Center (NIPC).
6. Record approximately 1,200 hours performing building & environmental alarm monitoring, response and mitigation activities and provide automation and alarm technical support for systems trouble shooting and resolution of alarm strings/site setups.
7. Process for approximately 2,300 calls / 300 work orders on the web for the Customer Service Center (CSC)
8. Provide Buyers with access to CRESS to manage work requests, receive alarm notifications, and approve invoices.
9. Provide Buyers with ARC access to automation systems.

ADDITIONAL REQUIREMENTS

Buyers will provide Supplier with authorization to Buyers' suppliers to process invoices and manage appropriate accounts.

VSO.RM.2 Live And Finals Collection Support

DESCRIPTION

Supplier will provide Buyers with user access and administrative support for the systems used to provide credit and collection support, Customer contact, order entry and billing inquiry and adjustment functions for their residential and small businesses Customers in the States. The support services are comprised of:

1. Supplier will provide system access and administrative support for the Receivables Management function.
2. Supplier will support the planning and development of billing and receivables initiatives undertaken prior to Closing.
3. Supplier will provide Buyers access to its online reference platform (“EZR”), which contains methods and procedures for billing and receivables management. Supplier will provide methods and procedures and provide updates as reasonably requested by Buyers.
4. Supplier will provide billing and receivables consulting services to assist Buyers maintain its customer service levels existing prior to Closing.
5. Supplier will support the implementation of billing processes for new products announced by Buyers prior to the Closing Date.
6. Supplier will provide its then existing error correction queuing processes managed through Work Flow Manager (WFM) and Error Reporting Managing Application (ERMA).
7. Supplier will provide the Buyers access to training programs and maintain the scheduling of and processes associated with the training of sales skills development for the Buyers sales force

ADDITIONAL REQUIREMENTS

1. Buyers must have their Credit and Collections operations in place for Day 1 after Closing including the hiring and training of all personnel

VSO.RM.3 Fraud Prevention

DESCRIPTION

Supplier will monitor Buyers Customers for fraudulent voice calling 24 hours per day – seven days a week (24 X 7). Supplier will monitor Buyers Customer's toll abuse monitoring 14 X 7, and Subscription Fraud Referrals from other internal Supplier organizations 8 X 5 utilizing a variety of methods that are used in the Business today including individual case analysis and the use of subscription fraud referrals.

The Fraud Prevention Group will then take the necessary action including service blockage on the Customer's account based on the results of the investigation. In some cases, the department will retrieve an account back from an outside collection agency when placed in error related to the fraud event. In other cases, the VSO Fraud team will work with the Customer to possibly clear the balance via an adjustment to his/her account.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

VSO.RM.4 Credit Screening

DESCRIPTION

Supplier will provide credit screening services to electronically support the credit evaluation process for Customers in the States.

During the sales process and before a service order can be issued, a credit evaluation must be performed on new and existing Customers. This credit check includes a review of outstanding invoices and/or an external credit evaluation from a Credit Reporting Agency.

If for any reason, the Customer does not pass the credit evaluation, the service order will be rejected and forwarded to the Receivables Management Risk Assessment Center (RMRAC). The RMRAC will resolve the credit problem within the required guidelines including any regulatory requirements and forward the service order on for provisioning.

The service includes the activities required to insure that the credit screening process performs as designed and the resolution activities required for a failed credit screen.

ADDITIONAL REQUIREMENTS

1. Buyers are required to obtain their own credit screening agreement with the Supplier's credit screening vendor to facilitate the credit screen process.

DSL.NET.1 DSL LEC Provisioning Fallout and Maintenance Support

DESCRIPTION

Supplier shall provide the following DSL related services:

1. DSL Maintenance Support – Consumer and Business. This service primarily consists of receipt of trouble report, ticket creation, testing, monitoring, dispatching, and resolution. The scope of this service is limited to the LEC network. All Tier I customer technical support shall be handled by Buyers.
2. DSL Line Service Request (LSR) fallout and order entry support. This service consists primarily of manual order entry, manual LSR creation to support the dispatch process, resolution and monitoring of all LSR fallout (business and consumer customers)
3. DSL monitoring and coordination of the provisioning activities: This service consists primarily of providing order status and coordinating the following: dispatch requests, testing, port recovery, database reconciliation, network rearrangements, assignment changes, PVC moves and recovery, backbone fallout, manual builds and disconnects.
4. Provisioning support is provided 7am -7pm ET for East customer support and 7am -9pm ET for Network activation.

ADDITIONAL REQUIREMENTS

There are no specific service requirements for the Buyers beyond those in the Transition Service Agreement or Schedule A thereto.

IT.SYS.1 Information Technologies Support Services

DESCRIPTION

Supplier will provide the Buyers access to the existing IT systems and applications that support the Spinco Business. Supplier will:

1. Provide on-going data center operations and application support
2. Provide a dedicated account management team to interface with the Buyers IT support organization
3. Maintain applications and systems in accordance with Supplier's remaining property release, patch, and/or fix schedule
4. Verizon.com services are NOT included as part of the TSA. The current on-line billing customers will continue to be able to view bill history on Verizon.com but no Buyers billing will be loaded to Verizon.com during the Transition Services period. No orders for new service, change service nor any other on-line service normally available to Verizon customers will be allowed through Verizon.com during the Transition Services period.
5. Supplier is NOT obligated to fulfill requests for buyer specific modifications to Supplier's core systems. Buyers will receive then existing IT systems and application enhancements, patches, and fixes, consistent with Supplier's remaining properties.

ADDITIONAL REQUIREMENTS

1. Buyers will supply their end users (e.g., call center representative, network management, etc.) with the necessary equipment and connectivity to access Supplier's IT systems and applications.
2. Buyers will maintain central office data management functions associated with IT systems and applications (i.e., activations, changes, events/alarms, billing usage, etc.)
3. Buyers will provide a Single Point Of Contact (SPOC), to Supplier's account management team, for coordinating operations and production support issues
4. Buyers will provide and/or arrange for the training of its employees and end-users on Supplier's systems.

IT.SYS.2 eWeb Intranet Services

Supplier and its Affiliates are the developer, owner and operator of a collection of electronic information pages and software applications that are grouped together, electronically linked and access controlled by electronic network technology (collectively “eWeb”)

Some examples of the informational pages currently on the EWeb include retail business methods, business procedures, sales guides, NPA-NXX number listings and W-2 employee forms. Some examples of current applications are office supply order processing, Computer Based Training and employee directory services.

In addition, each Verizon business unit has created intranet based information to include business metrics, organizational charts, problem tracking applications and other mission critical information specifically targets for employees of Supplier and its Affiliates.

The EWeb is accessible only through personal computers linked to the EWeb through secure password protected networks.

DESCRIPTION

Supplier will provide Buyers Employees or contract employees operating inside the Supplier's network firewall and working exclusively for Buyers, but not Buyers agents, vendors or contractors serving multiple clients limited password controlled network access to and use a portion of the EWeb. The EWeb is accessed through secure desktop PCs provided and maintained by Buyers and approved in each case by Supplier.

Commencing on the Closing Date, Supplier will block access of Buyers employees from certain informational pages and applications. It is contemplated that within a reasonable time after the date of this Agreement, Supplier will deliver to Buyers an Annex that identifies these pages and applications that will be blocked and not accessible to Buyers or their Employees or contractors. Notwithstanding the foregoing, if Buyers notifies Supplier that it has blocked access to any informational pages, applications or web sites that Buyers needs access to in order to operate the Business, and the parties reasonably agree that such access is needed, Supplier will promptly restore access.

The Supplier may at any time, in its sole discretion exclude Buyers Employee access to additional EWeb sites, pages and applications, unless such sites and pages contain exclusively information related to Buyers, or unless such application is intended by Supplier to be used exclusively by the Buyers Employees or contract employees operating inside the Supplier's network firewall and working exclusively for Buyers. The method of excluding Buyers Employees shall be in Supplier's sole discretion and accomplished at its cost and expense.

The supplier reserves the right in its sole discretion, to make additions to the pages and applications on the EWeb and otherwise modify or alter, in any way, the look, feel, content, navigation approach or other aspect of the EWeb. Unless Supplier exercises its discretion, described in the immediately preceding paragraph, Buyers Employees will have access to the then current EWeb as Supplier provides it to Verizon employees generally.

ADDITIONAL REQUIREMENTS

1. Buyers agree that use of the eWeb is limited to the Buyers Employees and contract employees operating inside the Supplier's network firewall and working exclusively for Buyers. Buyers employees will limit their access and use of the EWeb to normal or ordinary activities.
2. Buyers agrees that prior to granting any of Buyers Employees or contract employees operating inside the Supplier's network firewall and working exclusively for Buyers access or use of the EWeb, such employee or such contractor will acknowledge in writing that it has reviewed and will perform the obligations set forth in the Employee Code of Conduct, in a form substantially as described in Annex B, hereto. Notwithstanding any other provision herein, nothing in the Employee Code of Conduct shall effect any obligations of Buyers or its Affiliates or their employees pursuant to the provisions of the Agreement and Plan of Merger, the Distribution Agreement, the Transition Services Agreement.
3. Buyers agrees to cause the Buyers Employees or contractors to abide by the Employee Code of Conduct. Buyers shall terminate the employment of any of its employees for any material violation of the Employee Code of Conduct. Material breaches of the Employee Code of Conduct or failure of Buyers to discipline offending employees or contractors with termination of employment after a material violation thereof shall constitute a material breach of this agreement. Upon such breach Supplier may, immediately and in its sole discretion, terminate this service without prior notice and without opportunity to cure.
4. Buyers shall provide the Buyers Employees who will access the EWeb with PCs approved by Supplier.
5. Buyers shall provide the Buyers Employees with connectivity to the EWeb.

IT.SYS.3 Customer Billing Operations

DESCRIPTION

Supplier will provide the following billing services to the Buyers:

1. Service order interface to billing systems
2. Usage processing services
3. Directory advertising billing services in the format specified by the Supplier
4. Bill Calculation Services
5. Bill Rendering, consisting primarily of: paper, envelopes, return envelopes, ink, and printers.
6. Bill inquiry services
7. Treatment & Collections services, consisting primarily of 3rd Party notifications interface(s) and customer notification systems.
8. Billing management and coordination support
9. These services are currently supported by Supplier's core billing support group, and are not included in the billing related to IT services.

ADDITIONAL REQUIREMENTS

1. Buyers will provide an interface to Supplier's billing management function for billing operations, financial management, and production support issues coordination.
2. Buyers will pay postage for bill mailing at the actual rates incurred each month.
3. Buyers will provide any bill inserts to be included in bill mailings.
4. Buyers will incur cost of any 3rd Party collection service.

INDEX

5

5ESS · 37, 43, 59

A

accounts payable · 90, 106
Accounts Receivable · 7, 31, 110
ACD · 58, 79, 80
ACH · 102, 103, 105, 110
Adtran · 65
AIN · 59
Alcatel · 65
AMA · 69, 70
AMDF · 59, 71
ARMIS · 8, 32
ASR · 40, 41, 52, 96

B

B&C · 29, 31
BAAIS · 40, 41
Backbone · 40, 41, 42
BACKSTOP · 38
Balance Sheet · 7
BARCODE · 38
BCRIS · 110
BDMS · 40, 41
BEAR · 9
Billing and Collection · See B&C

C

CABS · 97, 110
CALEA · 43
CAM · 10
CARE · 96, 97
Cash Flow Statement · 7
CBOC · 82
CCP · 38
CCSN · 55
CENTREX · 53
CIC · 97
Ciena · 65
CLEC · 28, 37, 43, 53, 54, 98
CLECs · See CLEC, See CLEC, See CLEC, See CLEC,
See CLEC
CMAC · 53, 55
CNAM · 59, 85
COEI · 71
COEP · 7, 38
CoFEE · 83
Collocation · 44
Competitive Local Exchange Carriers · See CLEC

Page 124 of 126

Schedule A v.9 – 01/10/07

22371313v2

Cost Allocation Manual · See CAM
credit · 83, 91, 94, 116, 118, 120
CRESS · 117
CSG · 40, 41
CTLR · 79
cutover · 40

D

Data Communications Network · 67
Data Services Center Network · 67
DCP · 29
DDPO · 110
Default Carrier Plan · See DCP
DIA · 42, 52, 98
dispatch · 55, 56, 57, 68, 72, 92, 116, 121
DSL · 40, 41, 42, 52, 55, 57, 65, 69, 78, 98, 121
DSLAM · 40

E

E911 · 9, 32, 44, 45, 47, 48, 53, 98
EAPOC · 96
EBAC · 69
ECRIS · 38
Engineering Planned Order · See EPO
EPO · 8
ERMA · 118
ERX · 62
ERXs · 40, 41
ESC · 105
Ethernet · 42, 44, 56, 62, 65
EZR · 118

F

Fast Packet · 41, 42, 52, 65, 98
FCC · 8, 9, 10, 32, 37, 89
Federal Communications Commission · See FCC, See
FCC
FiOS · 41, 57, 78, 81
FleetTracker · 116
FMR · 79, 80
FOMS · 38, 71
Frame Relay · 42, 44, 55, 98
Fraud · 119
FSC · 72
FTTP · 52, 57, 59
FUSF · 9

G

Genesys · 79
Global Network Interface · 67

H

Hewitt · 19, 21

I

I&M · 57, 81
ICGS · 38
Income Statement · 7
Independent Telephone Companies · See ITCs, See ITCs
Intellilight · 44
IOF · 47
IP · 41, 42, 55, 57, 62, 63, 64, 66, 98
IPVPN · 52
ISDN · 98
ITCs · 29, 30
IVR · 56
IVRU · 80

L

LCCG · 38
LEIS · 38
LERG · 37
LIDB · 59, 85, 101
LiveSource · 85
LNP · 55, 59, 99, 101
LRN · 99
LSR · 96, 121
Lucent · 43, 59, 65

M

MARS · 109
MCN · 19
MetLife · 16, 18, 19, 20
metrics · 78, 80, 88, 123
MSP · 55

N

NAG · 68
NCC · 55, 56, 59, 74
NDC · 55
NECA · 9
NECC · 55
Net Optimize · 41
network element · 40, 41, 57, 58, 59, 60, 62, 63, 65, 66, 69
NMOC · 55, 56
NNMC · 55, 57
NPSSC · 91
NSMC · 68
NTAGWeb · 38

NTAS · 38, 45
NTC · 75

O

OCI · 21
OPERA · 38
Operations Support Networks · 67
ORDB · 85
OSN · 55, 56, 67
OSP · 8, 38

P

PCC · 75, 89
PeopleSoft · 103
PICSNET · 38
POP · 42
PRS · 38
PSP · 89

R

RCMAC · 69
REACT · 69
Redback · 65
remittance · 103, 108, 109, 110, 112, 114
routers · 41, 42, 57, 62, 65
RPC · 110, 111, 112
RUC · 8

S

SAP · 7, 8
Sedgewick · 21
SMDR · 56
SMT2 · 59, 60, 62, 63, 64
SOM · 38
SONET · 44
SS7 · 40, 47, 48, 59, 98, 99, 100, 101, 108
STD · 105
STP · 40, 55, 59, 99, 100, 101
Streamweaver · 115
Surveillance and maintenance · 55
SWITCH · 38
System Interface Management Network · 67

T

tax · 25, 26, 27, 82, 103, 104, 106, 108
Tax
 tax · 8, 25, 27, 102
TCW · 59
TDMS · 38

technical support · 40, 41, 53, 58, 59, 61, 62, 65, 69, 117
Telcordia · 37, 100
TiRKS · 47
Toll Free · 59
TOPS · 53, 85
TRS · 9
Trunk · 32, 51

U

Unival · 19
Universal Service Administration Corporation · See
 USAC
Universal Service Fund · See USF
USAC · 9
USF · 9

V

VBuild · 7
VeCTR · 77, 91, 94

VEGAS · 90
VENUe · 38
Voice Mail · 43, 59
Voyager · 116
vRepair · 73
VRRC · 73

W

WFM · 118
Winback · 54

X

XEA · 96, 97
XSOG · 38

Annex A To TSA Schedule B : Employee Code of Conduct

Surviving Corporation's and Buyer's employees shall agree to comply with the following Code of Conduct, during the term of the Transition Services Agreement, with respect to their use of Verizon communication and information systems provided by Verizon in connection with the transition services performed by Verizon for Surviving Corporation or Buyers.

1.1 Protecting Verizon Communications and Computer Systems

Certain Verizon communication and information systems are anticipated to be provided to Buyers employees in connection with the transition services being provided to Buyers and Surviving Corporation by Verizon. These systems include certain equipment, hardware, software or networks owned, provided or used by or on behalf of Verizon that store or transmit voice or non-voice data, regardless of whether or not these systems are located on Verizon premises.

1.1.1 Prohibited Activities

Verizon's computer and communication systems are valuable Verizon assets and must be protected from unauthorized or inappropriate access, use, alteration, destruction or disclosure. All users are required, as a condition of employment, to protect the Verizon information and data from accidental or unauthorized disclosure, misuse, improper alteration or destruction. This requirement includes compliance with this Employee Code of Conduct and Surviving Corporation's _____ Policy.

Employees are prohibited from use of Verizon computer and communication systems to engage in activities that are unlawful, violate this Employee Code of Conduct or Surviving Corporation's policies, are disruptive, offend others, or harm morale; are harassing or discriminatory or create a hostile work environment; result in Verizon's or Surviving Corporation's liability, embarrassment or loss of reputation; or violate the intellectual property of others.

1.1.2 Protecting Data

Buyers and Surviving Corporation employees must maintain the integrity of any Verizon information stored on Verizon or Surviving Corporation and Buyers systems by:

- Entering only accurate and truthful data that serve a legitimate business purpose;
- Obtaining proper authorization prior to acquiring, using, altering, disposing of, or destroying data;

- Protecting data and information stored on or communicated across Verizon and Surviving Corporation and Buyers systems, and not accessing this data or information (e.g., customer calls, employee records) unless authorized; and
- Protecting data and information communicated over internal or public networks (e.g. the Internet) to avoid compromising or disclosing non-public company information or communications.

You should also protect the security of any identification access number that you use for any computer, network or communication device.

1.1.3 Protecting Company Systems From Viruses

All electronic media – such as software, diskettes, CD-ROMs, and files, when acquired through public networks (e.g. the Internet) or from outside parties, are to be checked for viruses using virus detection programs prior to installation or use. In addition, any Verizon materials stored on personal computers must be safeguarded and protected from viruses.

If you suspect a virus, you should immediately report the virus to an appropriate network representative and you must not use the applicable computer systems and equipment until the virus is removed. If you do not know who your network representative is, you should call your Help Desk at **1-800-XXX-XXXX**.

Verizon prohibits the intentional importation of viruses onto any system. Only approved and properly licensed software is to be used on Verizon systems, and its use is subject to the applicable software owner's license agreements. Any non-public Verizon information or software of a third party that is stored, copied or otherwise used on Verizon systems must be treated according to Verizon standards regarding non-public Verizon information set forth herein, and any applicable agreements and intellectual property restrictions which you are informed of by Verizon or Surviving Corporation.

1.1.4 Inappropriate Use of E-Mail, Instant Messaging and Internet Services

Verizon communications and computer systems, including, but not limited to, computer networks and data files, may be monitored and/or accessed by Verizon, at any time, with or without notice, to ensure the integrity of the technology, protect against fraud and abuse, detect unauthorized access or use, and for other business purposes.

Inappropriate use of e-mail includes, but is not limited to, sending or forwarding:

- Messages or materials that may be considered discriminatory, harassing, unlawful, defamatory, obscene, offensive, insensitive, sexually explicit or otherwise inappropriate.
- Chain letters and pyramid schemes or personal commercial ventures.
- Religious materials, activities or causes.
- Charitable, political, gambling or auction-related materials.

- Games or other software or copyrighted materials without a legitimate business purpose.
- Messages that disparage other companies or products.
- Large personal files containing graphic or audio files.
- Unauthorized or inappropriate mass distributions.

and any other materials whose distribution violates this Code or other Surviving Corporation policies.

Inappropriate Internet sites include any sites containing any of the materials described above, as well as: non-Surviving Corporation business-related chat sites; underground or other security sites that contain malicious software and/or instructions for compromising system and data security; and any other materials that would be improper under this Code or other Surviving Corporation policies.

***Note:** In order to perform their job duties (for example, network monitoring) specific employees may receive Surviving Corporation or Buyers management approval exempting them from certain of the above restrictions.*

1.2 Maintaining Company Records

All employees are responsible for creating and maintaining full, fair, timely and accurate records that comply with this Code, Surviving Corporation policies, applicable laws and accepted professional, regulatory and industry standards.

Surviving Corporation has a zero tolerance policy for falsification or alteration of records. It is never appropriate to direct someone else to prepare or approve a false or misleading record and it is no defense to say that someone else directed you to make a record that you knew was false or misleading.

1.2.1 Records Containing Customer Information

Employees may not use or access customer records or information, including their own records, or records that concern families, friends, or co-workers or former employees, except when authorized and for a valid business purpose. Customer information includes information about customers' communications or information-processing arrangements, such as unlisted telephone numbers, billing records, and network information and equipment.

1.3 Safeguarding Company Information

Information used in business is a vital Verizon asset – providing opportunities to better serve customers and to compete in the marketplace. Customers, employees and business providers trust us to use their information with care.

1.3.1 What is Verizon Company Information?

Verizon Company information (which is sometimes referred to as “proprietary” information) consists of:

- Verizon-owned non-public information, including information provided by or relating to employees, customers or business providers;
- Publicly available information in which Verizon or others have intellectual property rights, the use of which is subject to intellectual property restrictions (e.g. copyright).

1.3.2 What is Verizon Non-Public Company Information?

Verizon Non-public company information (which is sometimes labeled “restricted” or “confidential”) is a subset of “company information” which includes:

- “Inside” information that is not publicly available and that, if it became known, could reasonably lead a person to buy, sell or hold Verizon’s or another company’s securities; and
- Other non-public information which is owned by Verizon or entrusted to Verizon by its employees, customers or business providers that, for business purposes, the owner does not want made public (e.g., trade secrets, correspondence, materials from company presentations, internal company directories, company passwords).

1.3.3 Protecting Verizon Non-Public Company Information

You must safeguard Verizon non-public company information by:

Following this Code and Surviving Corporation policies and procedures for identifying, using, protecting and disclosing this information.

- Properly returning, destroying or otherwise disposing of Verizon non-public company information in accordance with document retention policies and procedures that are provided to you.
- Properly labeling records that contain such information and ensuring that the labels are there when reproducing any portion of it.
- Keeping Verizon non-public company information in protected places (such as secured offices, locked drawers, and password-protected computer systems).
- Taking appropriate precautions when transmitting Verizon non-public company information, whether within Surviving Corporation or Buyers, to Verizon, or to others outside Verizon, Surviving Corporation and Buyers (e.g., avoiding unsecured e-mail, Internet posts, or unattended fax machines).

- Complying with any contractual agreements (which you are informed of) regarding the use, disclosure and protection of non-public information owned by others.
- Informing Surviving Corporation security or legal personnel if you believe that any non-public company information has been or is being used or disclosed improperly.

1.3.4 Releases of and Requests for Verizon Non-Public Company Information

Verizon Non-public company information may be released only under the following conditions:

- To the public, only when Verizon has specifically authorized Surviving Corporation to do so. You should be aware that Verizon will lose proprietary protection for the Verizon non-public company information (for example, trade secrets) after it is disclosed to the public. Before releasing any such information to the public, be sure to confirm with the Surviving Corporation legal department that the release of such information is authorized.
- To employees of Surviving Corporation, Buyers or Verizon, who have demonstrated a legitimate, business-related need to know the Verizon non-public company information and who have been advised of applicable confidentiality requirements.
- To third parties (including Verizon affiliates) to whom disclosure has been specifically authorized and who have entered into a written agreement, approved by the Verizon Legal Department, to receive Verizon non-public company information under terms and conditions that restrict use and disclosure. Before releasing any such information to third parties, be sure to confirm with the Surviving Corporation legal department that the release of such information is authorized.
- In such a way that the Verizon is assured of the security of that disclosure.

You may never release Verizon non-public company information:

- To public Internet forums, chat rooms or electronic bulletin boards.
- To family, friends, employee groups, former employees or any other parties that could potentially influence that person's investment decisions, including whether to buy, sell, or hold any stock or any other related financial instrument.
- To selected parties (for example, shareholders or financial analysts) prior to the general public release of this information by Verizon or Surviving Corporation.

When outside parties, such as the media, shareholders, financial analysts or outside attorneys request Verizon non-public company information, employees shall not respond

to this request but instead inform their supervisor and the Surviving Corporation Legal Department about the request and refer the requesting party to them.

1.3.5 Discussing Verizon Non-Public Company Information With Other Employees

You should avoid discussing Verizon non-public company information with other employees in public places (such as taxis, elevators, conferences, trade shows, restaurants) or on cellular/wireless phones.

If Verizon non-public company information is publicly disclosed, you should not discuss such information with third parties for 24 hours, unless specifically authorized. Be mindful that even after public disclosure, certain additional Verizon non-public company information regarding an issue may still be non-public and should not be disclosed.

1.3.6 Protecting Verizon Non-Public Information When Departing the Company

When leaving Surviving Corporation's or Buyers' employment, you must return or leave with Surviving Corporation or Buyers any Verizon non-public company information in your possession. You must also continue to safeguard the content of that information. Without Verizon's or Surviving Corporation's specific written prior authorization, you may never disclose or use Verizon non-public company information.

1.3.7 Publicly Available Verizon Company Information

This includes publicly available Verizon company information that is protected by Verizon-owned patents, trademarks or copyrights, the use of which is restricted by the applicable intellectual property laws.

To safeguard Verizon's intellectual property, employees must:

- Assist Verizon in identifying situations where a third party is using a Verizon patented invention or Verizon trademark or copying Verizon copyrighted material, all without permission from Verizon.

If you're unsure whether or what protection is necessary or appropriate, contact the Surviving Corporation Legal Department.

1.4 Protecting Verizon Company Property From Others

Unfortunately, some people may seek to harm Verizon by misappropriating or stealing its assets, breaking into its systems, or otherwise corrupting its business. Every employee is responsible for protecting Verizon systems and reporting any perceived violation by a third party. If you experience, observe, learn of, or suspect behavior you believe to be in violation of this Code, **you must immediately report it to any Surviving Corporation or Buyers supervisor or manager or to the Surviving Corporation Human Resources Department.** You should not permit the inappropriate conduct to continue by not reporting it, regardless of who is or may be engaged in the conduct.

1.4.1 Discipline

Any employee who is determined to have violated this Code, fails to report inappropriate conduct, or fails to cooperate in any investigation conducted pursuant to this Code will be subject to appropriate disciplinary action, up to and including termination of employment and possible criminal and civil prosecution.

Schedule B INFORMATION TECHNOLOGY SYSTEMS ISOLATION

DESCRIPTION / REQUIREMENTS

Prior to the commencement of Transition Services Delivery, the Supplier will complete the following work activities to its IT support systems, as necessary, in order to isolate and protect the data supporting Surviving Corporation operations from interaction with data supporting the various businesses of the Supplier:

1. Establish web and portal access to the retail and wholesale services of the Surviving Subsidiary for use by the Surviving Subsidiary's customers except as noted on Annex A to Schedule A : IT.SYS.2, eweb Intranet Services.
2. Isolate and firewall the data and interfaces within systems supporting the Surviving Subsidiary's Order and Customer Care, Trouble Ticketing, Rating and Customer Billing, Carrier Access Billing, Inventory, Provisioning, Activation, Billing Mediation, Workforce Management, various Network operations and finance and other common applications. Should isolation of data be impractical, it is expected that the below referenced sections will allow the necessary protection of data.
3. Buyers agree that prior to granting any of their employees or contract employees operating inside the Supplier's network firewall and working exclusively for Buyers access or use of the EWeb and Supplier systems, such employee or such contractor will acknowledge in writing that it has reviewed and will perform the obligations set forth in the Employee Code of Conduct, in a form substantially as described in Annex A, hereto. Notwithstanding any other provision herein, nothing in the Employee Code of Conduct shall affect any obligations of Buyers or their Affiliates or their employees pursuant to the provisions of the Transaction Agreements.
4. Buyers agree to cause their employees or contractors to abide by the Employee Code of Conduct Annex A. Buyers shall terminate the employment of any of their employees for any material violation of the Employee Code of Conduct. Material breaches of the Employee Code of Conduct or failure of Buyers to discipline offending employees or contractors with termination of employment after a material violation thereof shall constitute a material breach of this agreement. Upon such breach Supplier may, immediately and in its sole discretion, terminate this service without prior notice and without opportunity to cure.
5. Buyers agree to reimburse Supplier for setup fees necessary to provide services rendered under Schedule D – ISP Services,

BASE SERVICE FEE

Buyers shall pay Supplier a fixed fee of **\$41,500,000** for the services performed if Cutover of Schedule A and Schedule D Services occur at any time within 3 months of the Closing Date. If Cutover of Schedule A and Schedule D Services occur at any time thereafter, then Buyers shall pay Supplier a fixed fee of **\$34,000,000** at the earlier of Cutover of Schedule A and Schedule D Services and the first anniversary of the Closing Date. The fee includes the one time fees described under Transition Services "PAOS.PAS.1", "RET.LVS.1", and "RET.PUB.2"

Schedule C

CORP.HR.C1 Benefits Delivery.....	2
CORP.HR.C2 Systems Support.....	10
LIST OF THIRD PARTY VENDORS.....	12

Schedule C

NOTE: These services are provided only for the local exchange telephone business of NNETO, and do not provide any transition support to any other portions of the Spinco Business.

CORP.HR.C1 Benefits Delivery

DESCRIPTION

Supplier will perform the following benefit delivery/administration services:

Plan	Benefit Services	External Vendor Services Managed By Benefit Delivery
Pension Plans <ul style="list-style-type: none"> • HAP or Cash Balance • Lump Sum Cash Outs • Band Increases • Survivor Pensions 	<ul style="list-style-type: none"> • Vendor management <ul style="list-style-type: none"> ▪ Define / Approve Change order or SOW ▪ Develop /issue RFP/RFI ex. Healthplans ▪ Respond to Vendor inquires ▪ Manage vendor Change Order process ▪ Process vendor invoices ▪ Vendor service reviews ▪ Vendor performance monitoring ▪ Customer service monitoring (e.g. system network, outages, high volumes) ▪ Manage integration between vendors (Hewitt /Metlife, Fidelity , Sedgewick, Wachovia) ▪ Act as liaison between Health Plans, Benefits funding, for payment disputes and coordinate special projects with Benefits Funding ▪ Work with Corp Sourcing to ensure rebates and other financial agreements are pd timely per contract • Consult with Buyers on exception complaints, claims, and appeals • Consult with Buyers as needed on administrative plan interpretations, administrative changes, historical practices in Pension administration including the handling of Qualified Domestic Relations Orders (QDRO), assist in research and resolution of escalated participant issues • Provide data research, normally billed to Verizon Pension Plan Trusts, if 	<ul style="list-style-type: none"> • Hewitt – Determine eligibility, calculate pension, record earnings and hours, process applications, and QDRO administration • Calculation accrued pension for all management employees prior to Spin off • Hewitt – Provide pension data research as needed • Hewitt- provide manual calculations if necessary for pension calculations • Process monthly pay and/or interest credits for cash balance

Schedule C

	<p>requested. If this service is provided post close, this will be billed directly to Buyers</p> <ul style="list-style-type: none"> ▪ Program management of strategy and design initiatives (e.g., benefits renewal, Med D etc) ▪ Define Benefits Requirements ▪ Define participant experience goals ▪ Obtain Funding for initiatives ▪ Mandatory legal changes 	
Excess Pension Plan	<ul style="list-style-type: none"> • Vendor management <ul style="list-style-type: none"> ▪ Same as Pension above 	<ul style="list-style-type: none"> • Hewitt – Calculates and administers benefit
ERLIP (Frozen Benefit)	<ul style="list-style-type: none"> • Vendor management <ul style="list-style-type: none"> ▪ If applicable same as Pension above 	<ul style="list-style-type: none"> • Hewitt – Calculates and administers benefit for Grandfathered fGTE only. Senior Managers electing Executive Life are administered by ABC.
Savings/401(k)	<ul style="list-style-type: none"> • Vendor management <ul style="list-style-type: none"> ▪ Same as Pension above • Consult with Buyers as needed on administrative plan interpretations, administrative changes, historical practices in Savings Plan administration including the handling of QDROs, assist in research and resolution of escalated participant issues. • Provide data research as needed will be billed to Buyers directly • Program Management – VZ wide <ul style="list-style-type: none"> ▪ Program management of strategy and design initiatives e.g. Roth 401 K, Diversification, etc. ▪ Benefits Requirements ▪ Define participant experience goals • Obtain Funding for initiatives 	<ul style="list-style-type: none"> • Fidelity –401(k), Handles transfer of accounts, establish loan balance transfer process, new hire kits, termination kits, withdrawals • Provide data research and resolve participant escalations
Health and Welfare Plan	<ul style="list-style-type: none"> • Vendor management <ul style="list-style-type: none"> ▪ Define / Approve Change Orders or SOW ▪ Develop /issue RFP/RFI ex. Healthplans ▪ Respond to Vendor inquires ▪ Manage vendor change order process ▪ Process vendor invoices ▪ Vendor service reviews ▪ Vendor performance monitoring ▪ Customer service monitoring (e.g. system network, outages, high volumes) ▪ Manage integration between vendors (Hewitt, Metlife, Wachovia, etc) ▪ Act as liaison between Health 	<ul style="list-style-type: none"> • Hewitt Associates – Develop and mail materials, maintain systems for data tracking, vendor interfaces, payroll interface, etc., maintain Internet, handle employee inquiries, FAS 10, FAS 112, imputed income, 5500 reports, Mitchell and Titus inquiries. • Hewitt Associates – will also continue existing services related to Direct Billings & Payments, Access Direct, Provider Direct, Participant Advocacy, Senior Manager Support, Call recording and routing, QMCSO's, Spending Accounts (YSA) and participant access to YBR. • Health Plans – provide premiums, verify plan highlights for fact sheets

Schedule C

	<p>Plans, Benefits funding, for payment disputes.</p> <ul style="list-style-type: none"> ▪ Work with Corp Sourcing to ensure rebates and other financial agreements are paid timely per contract • Consult with Buyers on exceptions complaints, claims, and appeals • Consult with Buyers as needed on administrative plan interpretations, administrative changes, historical practices in H & W administration including assistance in research and resolution of escalated participant issues • Program Management – VZ wide <ul style="list-style-type: none"> ▪ Program management of strategy and design initiatives (e.g., benefits renewal, Med D etc) ▪ Define Benefits Requirements ▪ Define participant experience goals • Obtain Funding for initiatives • Define healthplan requirements • Health Plan selection • Program Manage Annual benefits renewal process for BR2008 • Develop and manage Healthcare Quality Initiatives • Prepare and authorizes invoices for healthcare quality initiatives (Leapfrog, BTE) as needed • Mandatory legal changes 	
<p>Benefits Renewal</p>	<ul style="list-style-type: none"> • Vendor management <ul style="list-style-type: none"> ▪ Same as H&W above • Oversee Benefits Renewal process for plan year 2008 	<ul style="list-style-type: none"> • Hewitt - Mail materials, maintain systems for data tracking, vendor interfaces, payroll interface, interface with Health Plans, premium/contribution reporting, and HPCC's, Towers Perrin extract for employee pricing evaluation, election analysis, facilitate enrollment through the Benefits Center, respond to employee inquiries • Health Plans – provide premiums, verify plan highlights for HPCC's
<p>Active Medical, Includes Rx, Vision, Managed Mental Health, EAP through VZ Life</p>	<ul style="list-style-type: none"> • Vendor management <ul style="list-style-type: none"> ▪ Same as Health & Welfare above 	<ul style="list-style-type: none"> • Hewitt – day to day administration of new hire enrollments, QLE's , provide information and answer questions and inquiries, send deductions to payroll and eligibility to vendors, premium reporting, QSC's, terminations, severance, transfers, status changes (i.e. Full time to part time), Leaves and LTD, MEP deductible calculation, SSDC interface • Health Plan Vendors – process and pay claims, answer employee inquiries

Schedule C

Healthcare – Mental Health & Substance Abuse	<ul style="list-style-type: none"> • Vendor Management – same as H&W above <ul style="list-style-type: none"> ▪ MHN ▪ United Behavioral Health (UBH) 	<ul style="list-style-type: none"> • MHN & UBH – provide networks and services to participants in accordance with plan provisions
Retiree Medical	<ul style="list-style-type: none"> • Vendor management ▪ Same as H&W above 	<ul style="list-style-type: none"> • Hewitt – same as active medical • Hewitt – Benefit information, enrollment of retirees into retiree medical/dental benefits, direct billing and collection of contributions, pension payroll and direct debit and SSDC interface.
COBRA Medical/Dental/Rx/Vision/FRP and HIPAA Notices	<ul style="list-style-type: none"> • Vendor management ▪ Same as H&W above 	<ul style="list-style-type: none"> • Hewitt Associates – Administers benefit, mail materials, maintain systems for data tracking, vendor interfaces, and participant direct billing and collection and respond to participant inquiries.
Healthcare - Dental	<ul style="list-style-type: none"> • Vendor management ▪ Same as H&W above ▪ Aetna ▪ Cigna ▪ Metlife ▪ United Concordia 	<ul style="list-style-type: none"> • Hewitt Associates – Benefit information, handle employee inquiries, provide eligibility data to vendors • Dental Vendors: <ul style="list-style-type: none"> ▪ Process claims, ▪ Pay benefits, ▪ Answer employee questions
FRP <ul style="list-style-type: none"> • HCRA • DCRA 	<ul style="list-style-type: none"> • Vendor management ▪ Same as above <ul style="list-style-type: none"> ○ Hewitt 	<ul style="list-style-type: none"> • Hewitt Associates – Benefit information, handle employee inquiries. • Hewitt – Process claim, pay benefits
Basic Life and AD&D	<ul style="list-style-type: none"> • Vendor management ▪ Same as H&W above 	<ul style="list-style-type: none"> • Hewitt Associates – Benefit information, employee assistance through the Life Benefits Team, assist beneficiary to file claim, administer coverage and premiums for the benefit, send conversion notices upon termination of plans • MetLife – Process claim, pay benefits
Supp Life – employee and dependent	<ul style="list-style-type: none"> • Vendor management • Same as H&W above 	<ul style="list-style-type: none"> • Hewitt Associates mail materials, maintain systems for data tracking, determine eligibility, payroll interface and direct billing and collections. Send EOI's to ppts, and send enrollment and premium reports to Met Life. • Met Life – pays claims, approves EOI's
LTD - eligibility and enrollment	<ul style="list-style-type: none"> • Vendor management <ul style="list-style-type: none"> ▪ Same as H&W above 	<ul style="list-style-type: none"> • Hewitt Associates – Benefit information employee assistance enrollment. Send EOI's for Hewitt and Met Life, • Met Life – Approves requests for coverage increases and pay claims
Long Term Care	<ul style="list-style-type: none"> • Limited interaction <ul style="list-style-type: none"> ▪ Legacy plans/vendors: <ul style="list-style-type: none"> ○ MetLife (legacy plan) ○ Mutual of Omaha ○ John Hancock 	<ul style="list-style-type: none"> • Develop and mail materials, maintain systems for data tracking, payroll interface, handle employee inquiries.

Schedule C

	<ul style="list-style-type: none"> ▪ Updated plan/vendor: <ul style="list-style-type: none"> ○ MetLife (updated plan) 	
RX Benefits	<ul style="list-style-type: none"> • Vendor management • Same as H&W above 	<ul style="list-style-type: none"> • Hewitt Associates – Benefit information, employee assistance, same as active medical • Medco - Process claim, pay benefits
Vision	<ul style="list-style-type: none"> • Vendor management <ul style="list-style-type: none"> • Same as H&W above 	<ul style="list-style-type: none"> • Hewitt Associates – Provide benefit information on line and through reps, send vendor eligibility files • Davis Vision – Provide network and products to participants and provide benefit level information to participants and local network suppliers. Process out of network claims for products and exams.
AYCO Survivor Support	<ul style="list-style-type: none"> • Limited interaction <ul style="list-style-type: none"> ▪ AYCO 	<ul style="list-style-type: none"> • Hewitt – Offer plan to: (1) survivors of active employees (spouses/partners, beneficiaries and/or dependents) or (2) active employee who spouse/partner or child dies; send authorization to AYCO • AYCO – Provide financial counseling
Personal Lines Insurance	<ul style="list-style-type: none"> • Vendor management by Risk Management Department <ul style="list-style-type: none"> ▪ ABC Systems (oversight) ▪ Travelers (insurer) ▪ Liberty Mutual (insurer) ▪ MetLife (carrier (insurer) 	<ul style="list-style-type: none"> • Managed by Risk Management - develop and mail materials, maintain systems for data tracking, payroll interface, handle employee inquiries. • Hewitt – send eligibility file to vendors
Concession Telephone Service (CTS)	<ul style="list-style-type: none"> • Vendor management – same as H&W above 	<ul style="list-style-type: none"> • Acordia – administer program, answer employee questions.
Eteam	<ul style="list-style-type: none"> • Internal VZ team. Facilitate and track escalations from HRBP, VP's and Executives for unresolved participant issues <ul style="list-style-type: none"> ▪ Contact ppt ▪ Work with vendor ▪ Track Issues in WorkFlow ▪ Provide reports 	<ul style="list-style-type: none"> • Hewitt Associates has mirror team that works with VZ Eteam to track, facilitate and resolve escalations that.
Participant Advocacy	<ul style="list-style-type: none"> • Vendor Management <ul style="list-style-type: none"> ▪ Same as H&W above 	<ul style="list-style-type: none"> • Hewitt Associates – assist participant with unusual or complex H & W cases
Labor contract negotiations – data	<ul style="list-style-type: none"> • Vendor Management <ul style="list-style-type: none"> ▪ Same as H&W above 	<ul style="list-style-type: none"> • Hewitt Associates – provide Buyers Labor Relations with benefit data historically used (West bargaining file format) during collective bargaining and benefit analysis or comparisons
Labor contract benefit implementation	<ul style="list-style-type: none"> • Vendor Management <ul style="list-style-type: none"> ▪ Same as H&W above 	<ul style="list-style-type: none"> • Hewitt Associates – make changes to systems to implement benefit related negotiated changes including vendor and payroll data interfaces, may include mid-year enrollment –

Schedule C

		Note: Labor contract benefit implementations will continue to be conducted through a separate Change Order Request
SSDC	<ul style="list-style-type: none"> • Vendor Management <ul style="list-style-type: none"> ▪ Same as H&W above 	<ul style="list-style-type: none"> • SSDC – contacts participants eligible for social security disability and Medicare D. • SSDC – send Hewitt files to update employee Medicare eligibility • Hewitt – Send SSDC outbound eligibility file
HRI	<ul style="list-style-type: none"> • Vendor Management <ul style="list-style-type: none"> ▪ Same as H & W above 	<ul style="list-style-type: none"> • HRI – contacts participants to subrogate medical claims and STD/LTD claims
OCI	<ul style="list-style-type: none"> • Vendor Management <ul style="list-style-type: none"> ▪ Same as H&W above 	<ul style="list-style-type: none"> • OCI – provide HRI and other vendors with health and disability claim data as well as data consolidation for the Medicare D process • Hewitt – send OCI participant eligibility data
Global Fit Discount Program	<ul style="list-style-type: none"> • Vendor Management <ul style="list-style-type: none"> ▪ Same as H&W above 	<ul style="list-style-type: none"> • Global Fit – provide network of fitness centers that discount memberships to Spin Co employees
Pension Payroll Service	<ul style="list-style-type: none"> • Vendor Management <ul style="list-style-type: none"> ▪ Manage Wachovia Team on payment timelines/issue resolution/correspondence to payee's affected by issues/approves all communications. ▪ Manage interaction of Hewitt as it relates to Wachovia. ▪ Hold Quarterly Review of Services by Wachovia and Hewitt on Pension Payroll. ▪ Approve and Process all Vendor Billings in accordance with contract terms. 	<ul style="list-style-type: none"> • Wachovia provide timely payment of pension payroll checks • Maintains data, check 's created/stopped/re-issued, check copies and all year end tax information. • Manage co-ordination of data files and layout from Hewitt to Wachovia for all payment cycles. • Manage relationship between Hewitt and Wachovia on interface files. • Manage relationship with Mellon Bank, VIMCO, Wachovia and Hewitt as required. • Wachovia to provide comprehensive lists of all checks returned to trust. Hewitt to send letters to all ppt's whose cancelled or stopped checks were returned to the Trust.
Savings Bond program	<ul style="list-style-type: none"> • Vendor management <ul style="list-style-type: none"> ▪ Same as pension above 	<ul style="list-style-type: none"> • National Bond & Trust – accepts enrollments and changes to deductions, issue savings bonds to participants, answer employee questions,
Adoption Assistance program	<ul style="list-style-type: none"> • Vendor management provided by VZ Life 	<ul style="list-style-type: none"> • Value Options – provide information to employees, process requests for reimbursements in accordance with VZ's practices
Year end Tax Service	<ul style="list-style-type: none"> • Vendor management <ul style="list-style-type: none"> ▪ Same as pension above 	<ul style="list-style-type: none"> • Manage Year End Tax process, interface between Hewitt and Wachovia on data feeds for Hewitt's year end tax team from mid-January to April 15th • Manage all communications on issue

Schedule C

		<ul style="list-style-type: none"> resolution • Hewitt to provide side by side research with Wachovia on any ppt issues raised. • Hewitt and Wachovia to provide all data/research required in the event of an ERISA Claim pertaining to pension payments or taxing disputes.
Bridging of Service	<ul style="list-style-type: none"> • Vendor management <ul style="list-style-type: none"> ▪ Same as pension above 	<ul style="list-style-type: none"> • Hewitt to provide calculation of bridging service and provide communication to impacted employees
Mandatory Portability	<ul style="list-style-type: none"> • Vendor management <ul style="list-style-type: none"> ▪ Same as pension above 	<ul style="list-style-type: none"> • Hewitt to manage requests from participants to port service • Interact with other vendors/companies in order to port service
Helpline Services -Helpline -FMLA Call Intake -Absence/LOA Call Intake	<ul style="list-style-type: none"> • Vendor Management has been transferred to VZ Domestic Telephone 	<ul style="list-style-type: none"> • Hewitt – Includes the following major functions: <ul style="list-style-type: none"> ▪ Answer HR policy, process, system navigation questions ▪ Administer Viewpoints survey ▪ Process Associate Expense and New Career Reimbursements ▪ Answer FMLA status, balance, policy, and process questions ▪ Answer Absence/LOA status, policy, and process questions
RIF Administration -Management Severance Plan -Associate IPP/ISP Administration	<ul style="list-style-type: none"> • Vendor Management has been transferred to VZ Domestic Telephone <ul style="list-style-type: none"> ▪ Same as above – pension • Serve as Severance Plan SME and Fiduciary 	<ul style="list-style-type: none"> • Hewitt - Includes the following major functions: <ul style="list-style-type: none"> ▪ Process/plan consultation with Business Partners, Labor ▪ Build business cases ▪ Create and distribute severance packages ▪ Process forms (Releases, Vacation Buy-Out, Volunteer) ▪ Provide reports/extracts to 3rd party vendors (payroll drops, payment files, etc.) ▪ Historical research
Commuter Assistance Program (CAP) - Commuter Advantage	<ul style="list-style-type: none"> • Vendor Management <ul style="list-style-type: none"> ▪ Same as H&W above 	<ul style="list-style-type: none"> • SHPS – provide CAP services, communications, debit cards and reimbursement procedures. • Hewitt – send SHPS eligibility files
Ancillary vendors and files		<ul style="list-style-type: none"> • Hewitt – will continue to send eligibility files to support: Telephone concession, Service Awards, Cybergrants, VZ Foundations, Retiree data warehouse, Omnicare, and inactive address data feed to Verizon HR
Communications – All plans – H&W and DB	<p>Benefit Communication Services that Buyers currently receives as part of Verizon Communications Inc.</p> <p>Ensure use of Brand identity and adherence</p>	<ul style="list-style-type: none"> • Hewitt, Fidelity, MetLife, SHPS or other direct cost for communication materials and services, including fulfillment and web site design as required, will be the responsibility of Buyers.

Schedule C

	<p>to corporate logo and branding guidelines; coordination with Corporate Branding office</p> <p>Design, review and distribution of traditional benefits renewal communication, including mid-year and anytime enrollment material and targeted communication (such as HMO drop letters/emails). Benefits Changes effective 1/1/07 will be communicated as part of Verizon Communications Benefits Renewal material, without any special branding.</p> <p>Targeted strategic communications: design, review and distribution: (e.g. Savings Plan Rollout: including Flash promotions; changes brochure, prospectus, offering statement, targeted e-mails).</p> <p>Life event materials (e.g., Planning/preparing for retirement materials) – Communicated as status quo until such time it is deemed required to have re-branded.</p> <p>Assistance with summary plan descriptions (SPD)/Summary of material modification (SMM); creation, distribution and ongoing updating for plan changes. Buyers intends to have SME team established to coordinate Buyers SPD development; although may require some assistance from Supplier.</p> <p>Standard system-generated statements that are part of the benefits administration contract or change orders – See life events comments</p> <p>Executive benefits communication, as needed.</p>	
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CORP.HR.C2 Systems Support

DESCRIPTION

Supplier will provide system support for the following systems/reports

1. Systems Support
 - a. MCPS – Management Compensation Planning Systems.
 - b. CPS – Corporate Profit Sharing.
 - c. EEO/EEO1 report – government reports.
 - d. COIQ – Conflict Of Interest Questionnaire online (Data can be specific to Buyers).
 - e. AWARE– Advanced Web Analysis and Reporting Environment-Access to Human Resources Employee Data Ware House for Buyers Reports.
2. OSS– Organization Structure Standardization-PeopleSoft Tree Support (Separate branch for Buyers).
3. UIDPS– UserID Provisioning System Security Support (system access requests, approvals).
4. PTR/PIF– Payroll To Recordkeeping/Payroll Interface File Support (Inter/Outer-faces to Hewitt and Fidelity).
5. Integration Support
 - a. PeopleSoft HRMS
 - b. Time Reporting/Workbrain Configuration
 - c. Helpdesk (Staffing Support/Job Evaluation Updates)

ADDITIONAL REQUIREMENTS

Buyers must enter into vendor contracts with each vendor identified in this Schedule C. Failure to have all vendor relationships effective on the Closing Date of the Merger may result in discontinuance of Schedule C services. Any change in vendors or vendor services during the term of Schedule C services may result in either discontinuation of Schedule C Services or additional charges for services rendered to develop and maintain new vendor data feeds of electronic interfaces. Charges for services of these vendors will be billed directly to Buyers and are not Third Party Vendor Costs.

If buyer terminates Schedule A services before termination of Schedule C services, to continue Schedule C services, buyer must provide all required employee data to supplier in an electronic format and frequency that will allow buyer to maintain data, feeds and interfaces. Supplier will determine the most efficient way to receive and deliver data. Any testing or set-up expenses incurred by Supplier in connection with the receipt of information from Surviving Corporation will be reimbursed to Supplier by Surviving Corporation.]

SERVICE FEE

Monthly Cost The Buyers will pay the Supplier a fixed fee of \$52,000 per month for all the CORP.HR services provided.

Buyers will be responsible for 3rd party costs from the Benefits Administrators and the Benefit Providers for the costs associated with the administration of the services and benefits.

Buyers will be responsible to pay for the direct benefit costs associated with these specific benefits

LIST OF THIRD PARTY VENDORS

ABC 3, 6
Fidelity 2, 3, 11
Global Fit..... 7
Hewitt..... 2,3,4,5,6,7,8,11,13
HRI..... 7
Medco 6
Mellon Bank 7
MetLife 2,3,5,6
MHN..... 5
OCI 7
Sedgewick..... 2
SHPS 8
SSDC..... 4,5,7
UBH 5
Value Options 7
Wachovia..... 2,3,7, 8

Schedule D - ISP SERVICES**DESCRIPTION****A. General Description of Services and Supplier Responsibilities**

1. Supplier (through its affiliates Verizon Internet Services Inc. and GTE.net LLC (collectively, "VOL") and/or other Supplier Affiliates) shall provide Internet-related services, as described below, during the term of this Schedule D, to Buyers in support of existing and new subscribers to Buyers' Broadband Services in the States ("End Users"). For the purposes of this Schedule D, "Broadband Services" shall mean all speeds (e.g., 768Kbps, 1.5Mbps, etc.) of Infospeed DSL Solutions consumer and business digital subscriber line service ("DSL") and FiOS fiber-to-the-premises ("FTTP") Internet access service offered by Supplier immediately prior to the Closing Date. Broadband Services will also include, if offered by Supplier immediately prior to the Closing Date, DSL services offered over local loop facilities where the underlying circuit switched local exchange voice services are offered by a competing local exchange provider (as applicable, DSL over UNE-P or DSL over resold lines) or where the End User does not subscribe to Buyers' circuit switched local exchange voice services (i.e., Stand Alone DSL).
2. Except to the extent otherwise expressly provided in this Schedule D: (i) the applicable ISP Services (defined below) will be made available to support all End Users from time to time during the ISP Service Term as hereinafter defined; and (ii) Supplier will provide ISP Services with no materially lesser features, functionality, customer care or technical support or CPE, than Supplier provides immediately prior to the Closing Date.
3. **Internet Access Services to be Provided.** Buyers will provide Broadband Services to its End Users during the ISP Service Term. Such services shall include (a) Local Loop Services (as described in Section B.1.a., below), which Buyers shall self-provision; and (b) Backhaul Services (as described in Section B.1.b., below), ISP Services (as defined in Section A.5, below) and Portal Services (as defined in Section 11, below) which Buyers shall purchase from Supplier under the terms of this Schedule D.
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5. **Consumer and Business ISP and Value-Added Services.** Supplier shall provide during the ISP Service Term the services listed in Sections A.5.a through h (which services shall comprise the "ISP Services") to Buyers' then-existing and new End Users of Broadband Services, and, if offered by Supplier immediately prior to the Closing Date in the States, to Buyers' dial-up, dedicated internet access (DIA) and LAN-ISDN customers:
 - a. Co-Branded consumer and small/medium business ("SMB") web-based activation/CD installation processes. For the purposes of this Section A.5, the term "Co-Branded" shall mean branding including the marks of Buyers and Supplier as proposed by Supplier in

its reasonable discretion after good faith consultation with Buyers. The parties shall execute a written license agreement with respect to the same.

- b. Co-Branded consumer “What’s Next” pre-activation site.
 - c. Access to Supplier’s VOL-branded consumer and SMB Member Services and consumer entertainment portals.
 - d. VOL-branded consumer and SMB dial-up installation CD-ROM.
 - e. Verizon.net domain consumer and SMB POP3 email for primary and sub-accounts.
 - f. For business standard (as opposed to basic) DSL and FTTP services, personal web space, domain name email, domain name service, one license node for the Verizon Internet Security Suite and unlimited mobility dial-up service.
 - g. For business static DSL and FTTP, the services offered in Section A.5.f plus one static IP address.
 - h. Radius authentication, Internet protocol (“IP”) assignments and management, accounting, back-end support and other back office services for Broadband Services, and, if applicable, LAN-ISDN, DIA and dial-up Internet access services.
 - i. Value-Added Services. Supplier may in its discretion make available to Buyers’ End Users during the ISP Service Term, on terms and conditions Supplier shall determine, access to such VOL-branded and third party branded content and other value-added services (e.g., Verizon Internet Security Suite, music and video content, web storage, games, etc.) as Supplier may from time to time offer to its customers outside the States (collectively, “VAS”) through Verizon’s VASIP ecommerce program and applicable third party agreements.
 - j. Business Value-Added Services. Supplier may in its discretion make available to End Users during the ISP Service Term, on terms and conditions Supplier shall determine, access to available SMB-only domain name e-mail and domain name services (over and above those services included as part of Supplier’s standard DSL offer as of the Closing Date) and access to security/VPN services, in each case as then-currently offered by Supplier to its business DSL, DIA and FTTP subscribers and on a standalone basis (collectively, “Business VAS”). Supplier shall be entitled to all revenue associated with VAS and Business VAS without accounting to Buyer.
 - k. Buyer understands and agrees that Supplier shall have no obligation to provide any modified or new products or services as part of the ISP Services, VAS and Business VAS during the ISP Service Term even if Supplier provides such products or services in areas other than the States.
6. **Non-Affiliate ISP Services**. Buyer will provide Wholesale DSL Services (pursuant to private carriage agreements) and BTAS to existing and new end user consumer customers of non-affiliate ISPs (“Non-Affiliate End Users”) in the States. As applicable to each Non-Affiliate ISP Service, Supplier will provide Non-Affiliate End Users the same or substantially similar ISP and Backhaul Services (the “Non-Affiliate ISP Services”) to those Supplier

provided to such Non-Affiliate End Users immediately prior to the Closing Date; provided that, Supplier in its sole discretion may modify the Non-Affiliate ISP Services from time to time consistent with modifications to similar services provided to its subscribers outside the States. Buyer understands and agrees that Supplier shall have no obligation to provide any modified or new products or services as part of the Non-Affiliate ISP Services even if Supplier provides such products or services in areas other than the States.

7. IP Address Management.

- a. As part of ISP Services, Supplier will manage the assignment of IP addresses from either (i) Supplier's designated pool of available IP addresses for services requiring use of dynamic IP addresses, or (ii) Supplier's designated pool of available IP addresses for services requiring the use of a static IP address, which in either case shall remain registered to Supplier.
- b. At the end of the ISP Service Term Buyers shall be responsible for obtaining their own licenses and IP addresses for all ISP Services, including without limitation, static and dynamic DSL and FTTP services, dial-up, ISDN-LAN, DIA and portal and value-added services, and for use for internal, administrative and other purposes. Buyers shall migrate off all Verizon (and all affiliate) assigned, owned or controlled IP addresses effective no later than the end of the ISP Service Term.

8. Support Services for Wholesale DSL and CPE.

- a. As part of ISP Services, Supplier will continue providing the same or substantially similar support services to non-affiliate ISPs purchasing Wholesale DSL Services from Buyer, including sales support, order fallout management, technical support, CPE and billing services as were provided to such entities immediately prior to the Closing Date, as may be modified from time to time by Supplier generally outside the States.
- b. Supplier will provide:
 - (i) Customer premise equipment including modems and/or routers ("CPE") to consumer DSL and FTTP, and business DSL, DIA, security/VPN and FTTP subscribers in the States in the same or substantially similar manner as Supplier provides such CPE to subscribers to Supplier's comparable services outside the States subject to commercial availability;
 - (ii) In-Warranty replacement for the modems/routers pursuant to the then-existing Verizon TeleProducts (VTP) warranty program;
 - (iii) Out-of-warranty replacement (i.e., outside of the applicable Verizon-provided warranty period (which is ninety (90) days in the case of consumer and business DSL CPE)), if and where a made available by Supplier in the States, at Buyers' option, which will be incrementally billed to Buyers at Supplier's then current rate. Without limiting the foregoing, Buyers will bear all costs associated with all warranty replacements, as well as the cost of bad debt and collections, money-back and on-time guarantees, and other associated costs for in-warranty and out-of-warranty replacement.
- c. Buyers will reimburse Supplier for its reasonable and incremental costs incurred by Supplier as a result of marketing efforts and/or promotions undertaken by Buyers to the

extent these programs impact CPE fulfillment, the cost of freight or delivery of CPE, money-back and on-time guarantees generally, or other CPE or fulfillment costs. These costs will be invoiced as Third Party Costs.

9. Customer Support.

a. **ISP Billing Support.** Supplier will provide the following Customer Billing Operation Services to Buyers according to Supplier's then-existing processes and services for ISP Services:

i) Live (On-line) services:

- (1) Serve as customer interface by providing billing inquiry and adjustments to consumer and business End Users.
- (2) Investigate billing disputes for End Users.
- (3) Process disconnect requests from English-speaking and certain non-English speaking End Users.
- (4) "Save the sale" services to interview End Users to best determine and position

ii) Off-line services:

- (1) Retrieve End User archived billing statements and process credits, as needed.
- (2) Process order fall out for new orders as well as changes to existing services.
- (3) Conduct billing discrepancy investigations for End User issues and complaints.
- (4) Process manual connections and manual disconnections.
- (5) Process End User requests for billing changes (invoice billing, LEC bill or credit card bill).
- (6) Prepare and submit refund checks.

b. **VOL branded customer care and technical support.** Supplier will provide as part of the ISP Services Tier 1 desktop and network technical support to Buyer's DSL and, if applicable, dial-up and DIA customers. Technical support for FTTP End Users shall be provided pursuant to Schedule A. DSL technical support will be provided through technical support agents who interact with customers via the telephone and e-mail. Supplier technical support centers will operate on a 7 X 24 X 365 day a year basis or on such other schedule as Supplier provides to its customers for similar services during the ISP Services Term. In cases where network issues are involved or where certain CPE issues exist, Supplier will escalate to the appropriate tier 2 operations or support personnel following Supplier's standard escalation procedures. Buyers will provide all necessary technical support to Supplier personnel, or to the End User, as appropriate, regarding End User support issues relating to Broadband Services provided by Buyers.

Billing Services.

- a. Supplier shall provide Buyers with a billing feed for ISP, VAS, Business VAS and Portal Services, where such services are billed to an End User's telephone bill. Supplier shall bill and collect for such services on Buyers' behalf on the End Users' telephone bills. Buyers shall retain all amounts collected, and shall bear the risk for any uncollectible amounts. Supplier shall have the right to bill customers via credit card for all applicable services and shall remit all amounts owed to Buyers. Supplier may also bill for business Broadband Services, and where applicable, ISP and Business VAS Services via direct (paper) billing.
- b. Supplier will provide the following billing support related services to assist in billing and collecting from the Buyers' DSL and FTTP customer base:
 - i) Investigate unbillable and rejected billing records;
 - ii) Investigate records with a wrong billing telephone number;
 - iii) Work billing fallout;
 - iv) Investigate billing errors;
 - v) Handle billing related End User referrals;
 - vi) Aid in the resolution of bill production issues;
 - vii) Provide up-front "preventative" checks of billing data;
 - viii) Reconcile and support credit LEC purchase of Accounts Receivable for Buyers' ISP End Users billed via the LEC bill;
 - ix) Reconcile and support credit card transitions for End Users billed via credit card;
 - x) Investigate disputed charges from credit card End Users;
 - xi) Work transactions denied due to declined credit cards;
 - xii) Process cash payments which could not be processed by the bank (error correction); and
 - xiii) Reconcile/support "Cash" transitions for End Users billed via a "Direct Invoice".
- c. Supplier will provide the following Retention/Bill Inquiry Support related services associated with the Buyers' End User customer base:
 - i) Negotiate sales and fulfillment of order activity (enter the customer's order);
 - ii) Work any fallout and re-enter order activity;
 - iii) Validate End User's billing complaints and issue appropriate credits;
 - iv) Explain billing charges to End Users;
 - v) Correct any billing issues;
 - vi) Provide retention services consisting of reselling the service, provide marketing offers, directing calls to technical support centers as appropriate; and

vii) Provide Buyers with accounts receivable aging data.

11. Portal.

- a. Supplier will have sole control of the portal start-up and associated web pages and the Uniform Resource Locators (“URLs”) associated therewith. The current URLs for the consumer and business dial-up, DSL and FTTP service start pages will be as follows: for consumer DSL services, <http://dslstart.verizon.net>; for consumer FTTP services, central.verizon.net; for consumer dial-up Internet service, <http://start.verizon.net>; and for business dynamic DSL and FTTP services, <http://business.verizon.net>.
- b. Supplier will determine and implement the co-branding, if any, of portal start-up and associated web pages on the consumer and business DSL installation web-based activation / CD installation and landing “welcome” page for all applicable consumer and business portals.
- c. Existing and new End Users of Buyers’ consumer DSL services will have access to the then-existing co-branded VOL-third party portals (“Portal Services”), subject to the negotiation of mutually acceptable agreements with Supplier’s then-existing portal partners. Supplier will retain all revenues from any revenue sharing arrangements associated with the Portal Services and Supplier’s business DSL and FTTP portals. Supplier reserves the right to modify the End User pricing applicable to the Portal Services offered to End Users as well as any and all features, functions, applications or services provided in connection with the Portal Services. Buyers understand and agree that upon the termination of this Schedule D, Buyer must make their own arrangements with portal providers of their choosing and that Supplier’s existing portal choice offerings may or may not be made available to such End Users in Supplier’s sole discretion.

B. Other Responsibilities

1. Network Services.

(a) Local Loop Services. Buyers will directly provide and support Local Loop Services. “Local Loop Services” include provisioning of DSL or FTTP from the subscriber’s premise to the DSL or FTTP traffic aggregation hand-off point located at the applicable LATA core or POP core router. Supplier’s affiliate will create a monthly invoice on behalf Buyers’ local exchange company (which for clarity may be Buyers), such invoice to include Local Loop Services and appropriate taxes and surcharges related thereto, and will provide such monthly invoice to Buyers’ ISP company for applicable services provided by Buyers’ local exchange company.

(b) Backhaul Services. “Backhaul Services” include traffic aggregation and backbone Internet access services necessary for the transport of data and associated traffic between the applicable LATA core or POP core router and Internet peering points, including circuit and network services. Supplier will provide Backhaul Services to Buyers under the terms of Supplier’s existing backhaul agreement with Verizon Business or third party providers. .

2. Supplier will provide dial-up Internet (including Mobility) transport services, where applicable, through its then-existing third party relationship(s) for the ISP Service Term.
3. Buyers will manage the day-to-day operations of the Local Loop Services, including all product development, provisioning and customer and technical support.
4. Subject to the terms of this Schedule D, Buyers will determine the end user retail pricing for all Broadband, Wholesale DSL and BTAS Services and dial-up, DIA and ISDN-LAN Service; provided, however that, in the event Buyers change the pricing of such services from those then-offered by Supplier outside of the States, Buyers will provide Supplier with 90 days prior written notice and compensate Supplier for the costs associated with implementing any pricing changes, including without limitation, changes to Supplier's billing systems and any amounts Supplier owes affiliates or non-affiliate third parties. Other changes, including new product introductions, will require six (6) months prior written notice and Buyer will compensate Supplier for the costs associated with implementing any pricing changes, including without limitation, changes to Supplier's billing systems and any amounts Supplier owes affiliates or non-affiliate third parties. The foregoing sentences notwithstanding, Supplier will determine the pricing of all Portal Services, VAS and Business VAS.
5. Buyers will be responsible for collecting all applicable taxes, surcharges and other fees from its Broadband Services End Users, third party ISPs purchasing Wholesale DSL Services or BTAS and Non-Affiliate End Users and for remittance of same to the appropriate taxing and/or regulating authority.

C. Subscriber Relationships and Terms of Service

1. End Users will be subscribers of record of Buyers. Non-Affiliate End Users will be the subscribers of record of Buyers or the third party ISP (other than Supplier), based on the serving arrangement applicable to such third party ISP. Supplier will bill third party ISPs via Supplier's then-existing Members Only user interface.
2. Buyers will provide Supplier with its terms of service requirements and Supplier will, during the ISP Service Term, incorporate such requirements into Supplier's end user terms of service and present such terms of service to new End Users during the registration process for the Broadband Service as part of the presentation of Supplier's terms of service.
3. Supplier will offer all ISP Services, VAS, Business VAS and Portal Services directly to End Users during the ISP Service Term. Supplier will present all End Users with its applicable terms of service relating to the ISP Service, VAS, Business VAS or Portal Service subscribed to and such terms of service will include, where applicable, provisions pertaining to Local Loop and any other services that Buyers provide to End Users. For the avoidance of doubt, all retail ISP Services, VAS, Business VAS and Portal Services provided under this Schedule D during the ISP Service Term by Supplier to End Users, third party ISPs and Non-Affiliate End Users will be provided by Supplier and not by Buyers.
4. Existing Consumer End Users and Business End Users will be allowed to retain their existing e-mail addresses with the domain [user ID]@verizon.net during the applicable ISP Services Term but not thereafter. Not later than ninety (90) days prior to the end of

the ISP Services Term, Supplier and Buyers will agree upon plan to migrate End User e-mail accounts to Buyers' chosen email provider. In the event migration of such email accounts is not completed by the end of the ISP Services Term, Buyers will bear all licensing fees incurred by Supplier associated with any storage or continuation of email services by Supplier after the end of the ISP Service Term.

D. Branding and Marketing

1. Except as otherwise expressly set forth in this Schedule D, the VOL brand will appear throughout the consumer and business DSL, FTTP and Dial-up Internet portals, media and supporting websites (including FAQs, the Verizon Central websites and all ISP Services, VAS, Business VAS, Portal Services and associated web pages).
2. Consumer and SMB run-once landing pages (e.g., the installation welcome page) and installation media for consumer and business dynamic DSL and FTTP services will be co-branded with VOL and Buyers' brands.
3. No Buyers branding will appear on (i) the consumer and SMB dial-up Internet or consumer and business Mobility dial-up Internet access services, or on modem or router installation materials or equipment, (ii) the consumer or business DSL or FTTP portals, including the Portal Services, (iii) the consumer and SMB dial-up Internet service portal, (iv) VAS Services, or (v) on any services, portals, products, media or supporting websites relating to such services.
4. Buyers will be solely responsible for the marketing and promotion of all Broadband Services, Wholesale DSL Services and BTAS at their sole cost and expense. Sales of all such services will be through Buyers' customer service sales channels. Supplier will not make available to Buyers Supplier's marketing, account service or sales websites (e.g., Verizon.com) or any third party vendor account service or sales channels or websites.
5. Supplier may freely market VAS, Business VAS and Portal Services to End Users and Buyer shall provide reasonable cooperation to facilitate such marketing efforts.
6. As determined by Supplier and subject to Buyers' prior review, Buyers will include clear and conspicuous statements in marketing and promotional materials and sales representative scripting disclosing that ISP Services, VAS, Business VAS and Portal Services are provided by Supplier during the ISP Service Term.
7. The parties will negotiate a trademark license agreement to permit the branding contemplated in this Schedule D.
8. Buyers will bear all costs, including but not limited to, all promotions and marketing activities related to the sale and provisioning of Broadband Services, Wholesale DSL Services and BTAS which Buyers, in its sole discretion, may choose to undertake from time to time.

E. Installation and Registration Processes

1. Supplier will provide and manage all installation and registration activities for all Broadband Services, VAS, Business VAS and Portal Services pursuant to its then-

existing installation and registration processes. Verizon Teleproducts group will handle subscriber inquiries from End Users regarding CPE according to its then-existing processes and in a manner that is the same as or substantially similar to that provided to similarly situated subscribers to Supplier's own similar services.

2. Buyers will provide all necessary and appropriate support and assistance to Supplier and End Users in connection with the installation and provisioning of Broadband Services, Wholesale DSL Services and BTAS.

F. Subscriber Data, Privacy and Security

1. End User data related to the ISP Services, VAS, Business VAS, Backhaul and Portal Services will be owned and controlled by Supplier during the ISP Service Term. Subscriber data related to Local Loop Services will be owned and controlled at all times by Buyers. Supplier agrees that, effective as of the expiration or termination of the ISP Service Term and subject to applicable legal, regulatory and licensing requirements and obligations, all billing, service and account data relating to End Users of the corresponding ISP Services will become the property of Buyer without any further action required by either party. However, Supplier agrees to take any reasonable action requested by Buyers in order to convey ownership of such data to Buyers as of such time or to perfect Buyers' ownership of such data.
2. Buyers and Supplier network and security operations will work cooperatively in responding to civil and criminal subpoenas and other lawful requests for subscriber information. Supplier and Buyers agree to work cooperatively to comply with law enforcement requests under the Communications Assistance Law Enforcement Assistance Act ("CALEA"), as amended. During the ISP Service Term, Buyers shall bear all costs of CALEA compliance pertaining to law enforcement requests affecting the States, including, as applicable, securing necessary security clearances for Buyers' personnel and the purchase, installation and maintenance of CALEA compliant hardware, software and maintenance systems.

Notwithstanding the provisions of Section 22.15 of the Transition Services Agreement, the privacy policy of the party which provides a particular service will apply and control. Supplier and Buyers each agree to comply with Supplier's privacy policies with respect to their respective use and safeguarding of all such End User information for all services subject to this Schedule D during the ISP Services Term.

3. Each party will at all times comply with all applicable laws, rules and regulations regarding the use of subscriber data, privacy, spyware, data protection and data breach reporting and email and telemarketing activities.

G. Customer Care

Supplier will be the first point of customer contact for Broadband Services, ISP Services, VAS, Business VAS and Portal Services inquiries. End User support issues reported to Supplier that relate to Local Loop Services will be referred: (i) to the Verizon MCO according to existing processes for Consumer Broadband Services, and (ii) to Buyer for Business Broadband Services.

H. Maintenance and System Upgrades

1. Supplier will maintain the Backhaul and ISP Services in a manner comparable to the manner in which it maintains such services outside the States. Primary maintenance windows for such services will reflect those maintenance windows under which Supplier and its affiliates operate on a national basis.
2. Supplier will make system upgrades and changes to services provided by Supplier hereunder available to Buyers according to its then-existing upgrade and change windows and processes upon making them available to Supplier's other operations providing similar services. Supplier shall be under no obligation to create or maintain a separate back office provisioning system for Buyers. Buyers shall accept all such system upgrades and changes Supplier provides to it at no additional charge and will implement them within a reasonable time in accordance with Buyers' change control procedures.

I. INTENTIONALLY OMITTED

J. Notices

Notices provided under the Agreement pertaining to this Schedule D, if to Verizon, shall be sent as described in Section 22.1 of the Transition Services Agreement, and also to:

Verizon Online
1880 Campus Commons Drive
Reston, Virginia 20191
ATTN: Thomas M. Dailey, General Counsel
Facsimile: 703.295.4238

Notices sent to Buyers shall be sent as described in Section 22.1 of the Transition Services Agreement.

K. BASIC SERVICES FEES

Buyers shall pay Supplier the following:

Buyers shall pay Supplier a Fixed Monthly Service Fee of *****Begin Proprietary*****
*****End Proprietary***** for Schedule D Services.

L. TERM OF SERVICE

This Schedule D will have the term described in the Transition Services Agreement (the “ISP Service Term”) and must be terminated at the same time as Schedule A Services.

M. TRANSITION ASSISTANCE

Any transition requirements relating to this Schedule D shall be subject to the terms and conditions of the Cutover Plan.

N. INCORPORATION OF SCHEDULE A GENERAL PROVISIONS.

The “General Provisions and Select Definitions” of Schedule A to the Transition Services Agreement are incorporated herein by this reference.

Schedule E: Certain ISP Cutover-Related Matters

This Schedule E sets for the agreement and understanding between and among Buyers and Supplier (acting through its affiliates Verizon Internet Services Inc. and GTE.net LLC (collectively, "VOL") and/or other Supplier Affiliates) with respect to the transition of certain Internet services at or following the Cutover Date. The terms of this Schedule E shall be incorporated into the terms of the Cutover Plan which shall be developed by Supplier and agreed to by the parties. Defined terms shall have the meaning set forth in Transition Services Agreement and Schedule D unless otherwise set forth herein.

- 1. IP Address Changes:** Supplier maintains three types of Internet Protocol ("IP") addresses in connection with the provision of Internet access and related services and support in the Territory: static, dynamic and administrative (collectively, the "Supplier IP Pool"). Buyers acknowledge and agree that Supplier shall retain all IP addresses used to provide or support Internet access services (which shall consist of all consumer and business digital subscriber line ("DSL"), FiOS (fiber) based Internet access services (collectively, "Internet Access Services")), dedicated Internet access services ("DIA Services") and Other ISP Services (as defined below) in the Territory after the Closing Date. Internet Access Services, DIA Services and Other ISP Services are collectively referred to herein as "Internet Services". The Parties agree that the Cutover Plan will provide a process for the migration of all transferred Supplier Internet Service customers out of the Supplier IP Pool as of the Cutover Date or such other date as Supplier may designate according to the following schedule: (a) for transferred Internet Services (other than DIA Services) for which IP addresses are dynamically assigned, within 15 days after the Cutover Date; and (b) for transferred Internet Services for which static IP addresses are assigned, and DIA Services, within 90 days after the Cutover Date. The Parties further agree that a separate migration process will be developed to plan for the change-out of all Supplier administrative IP addresses effective as of 90 days after the Cutover Date defined in the Transition Services Agreement.
- 2. Third Party and Supplier-Branded Value Added Services ("VAS") Services:** Buyers acknowledge and agree that to the extent Supplier provides VAS and Business VAS under Schedule D, Supplier may cease providing such services at any time and shall in any event have no obligation to provide such services after the Cutover Date. In the event Supplier elects not to provide, or ceases to provide, all or a portion of VAS or Business VAS, Buyers shall be responsible to provision its own such services and Supplier and Supplier's third party suppliers shall bear no further responsibility to Buyers or Buyers' End Users to provide such services. Buyers further acknowledge that VAS and Business VAS may be part of a service package or bundle and recognizes that such service bundles will

terminate at Cutover, or at such time prior to Cutover as Supplier no longer offers such services, unless replaced by Buyers.

- 3. IP Transport Agreement and IP Backbone Circuits:** The Parties agree as part of the Cutover Plan, Supplier will provide, for a period of ninety (90) days after the Cutover, Backhaul Services as defined in Schedule D, Section B.1(b) under the terms of Supplier's then-existing agreements with Verizon Business or third party circuit provider(s) for such services. Buyers agree that during such ninety (90) day period (and any extensions thereof mutually agreed upon by the parties in writing), Buyers shall reimburse Supplier for all amounts due by Supplier to Verizon Business or third party circuit provider(s) for such Backhaul Services within thirty (30) days of receipt of an invoice from Supplier for such services. Payment by Buyers of such amounts shall be in addition to the Transition Services Fees defined under the Transition Services Agreement.
- 4. Email Forwarding:** Buyers shall establish and be responsible for providing and supporting electronic mail ("email") boxes on Buyers' email platform for all End User email boxes, including primary and sub-accounts, transferred to Buyers as of the Cutover (the "Buyers Email Platform"). The Parties agree as part of the Cutover Plan, Supplier will forward Buyers' End Users' email from such customers' verizon.net accounts (collectively, the "Supplier Email Platform") to such customers' corresponding email accounts resident on the Buyers Email Platform for a period of ninety (90) days after the Cutover Date at no charge to Buyers. Upon the expiration of such ninety (90) day period, Supplier agrees to forward verizon.net email for an additional period not to exceed one hundred and eighty (180) days at a monthly cost of \$0.45 per email box on the Supplier Email Platform. Supplier currently estimates that there will be approximately 280,000 total customer primary and sub-account email boxes at the Closing Date, though the actual number of email boxes may be higher or lower.
- 5. Domain Name Email.** Buyers acknowledge and agree that Supplier will cease providing DNE as set forth in Section A.5., and that such DNE services shall be transferred from the Supplier's email service platform to Buyers' email service platform, as of the Cutover Date. The Parties agree as part of the Cutover Plan, Supplier will forward Buyers' business DNE accounts to such customers' corresponding email accounts resident on the Buyers Email Platform for a period of ninety (90) days after the Cutover Date at no charge to Buyers. Each DNE customer will be required to change its own DNE service settings by changing the service provider setting from the Supplier to the Buyers. Buyers shall be responsible for communicating to DNE customers the actions required to "re-point" their DNE from the Supplier's email service platform to Buyers' email service platform. Buyers agree to complete the foregoing transition of all DNE customers within ninety (90) days after the Cutover Date. After such ninety (90) day period, Supplier will terminate all email services access for Buyers' DNE customer base without any further liability or responsibility to Buyers or its DNE customers.

6. **POP Assets.** The Parties acknowledge and agree that Supplier's POP Assets, which consist primarily of routers, ATM and Ethernet switches, firewalls and management network equipment, are not Network Elements and are not part of the Merger Transaction. The immediately previous sentence notwithstanding, at the conclusion of the Cutover Plan (including all migration activities) Supplier agrees to offer its POP Assets to Buyer for a purchase \$1.0 M plus the amount of any investment (including related installation costs) in such POP Assets between the September 30, 2006 and the Cutover Date. The Parties agree to include the terms for such transfer of POP Assets in the Cutover Plan. The attached Appendix A shows the POP Assets recorded as of the third quarter of 2006.

7. **Indemnification:** Buyers shall indemnify, defend and hold harmless Supplier (and its affiliates and their respective officers, directors, employees, agents and contractors) from and against all claims, causes of action and liabilities, whether in contract, tort or otherwise, relating to or arising from (a) Buyers' provisioning of Internet Services during and after any transition or migration period under this Schedule E, (b) Buyer's breach of any provision of this Schedule E, (c) Supplier's provision of or modification to any services provided by Supplier under this Schedule E, or (d) any violation of law, regulation or ordinance relating in any manner to Buyers' provisioning of Internet Services or performance under this Schedule E.

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