



MEMBER PARTICIPATION AGREEMENT

VERIZON BUSINESS NETWORK SERVICES INC., on behalf of the Verizon affiliates identified herein ("Verizon")
22001 Loudoun County Pkwy.
Ashburn, VA 20147

Customer Name: Denton Independent School District
Customer Address: 1212 N. Elm Street
Denton, Texas 76201
Member Number: MTE76201-01

By: _____
Name: _____
Title: _____
Date: _____
By: _____
Name: _____
Title: _____
Date: _____

This Member Participation Contract ("Agreement" or "PC") for Verizon Services, together with any attachments, schedules, and other documents made a part hereof ("Agreement"), is made by and between the above-named Customer and Verizon Business Network Services Inc., on behalf of MCI Communications Services, Inc. d/b/a Verizon Business Services and its affiliates and successors ("Verizon").

WHEREAS Verizon and MiCTA, an association made up of non-profit colleges, universities, K-12 school systems, federal, state and local government units, health care providers, libraries and other non-profit entities, have entered into a Telecommunications and Internet Services Master Agreement ("Master Agreement"), based upon MiCTA's RFP MT TISA 2010 and Verizon's response thereto; and

WHEREAS, under the Master Agreement, Eligible Organizations who enter into a PC with Verizon may purchase from Verizon certain Services (identified in Attachment A to the Master Agreement) at the prices and/or discounts set forth in Attachment B to the Master Agreement; and

WHEREAS the Customer is an Eligible Organization and desires to purchase from Verizon certain Services available under the Master Agreement, and Verizon is willing to provide such Services on the terms and conditions set forth in this PC;

NOW THEREFORE, Verizon and Customer agree as follows:

GENERAL TERMS AND CONDITIONS

- 1. Services. Verizon will provide to Customer the services ("Services") identified in Attachment A to this Agreement
2. Term. The "Term" of this Agreement shall begin on the Effective Date (defined above) and end upon the completion of thirty-six (36) months (the "Initial Term"), at which time the Agreement will be automatically extended ("Extended Term") on a month-to-month basis until either party terminates it upon sixty 60 days prior written notice.
3. Tariff and Guide. Verizon's provision of Services to Customer will be governed by Verizon's international, interstate and state tariffs ("Tariff(s)") and Verizon's "Service Publication and Price Guide" ("Guide"), each as supplemented by this Agreement.
4. Changes to the Guide. If Verizon makes any changes to the Guide that affect Customer in a material and adverse manner, Customer may discontinue the affected Service without liability by providing Verizon with written notice of discontinuance within sixty (60) days of the date such change is posted on the Website.

include, nor be interpreted to include, (i) the introduction of a new service or any new service feature associated with an existing Service, including all terms, conditions and prices relating thereto, or (ii) the imposition of or changes to Governmental Charges (defined below).

5. **Rates and Charges.** For the Services identified in Attachment A, Customer agrees to pay the rates and charges specified in Attachment B to the Master Agreement. In the event (i) Customer receives any Services that are not the subject of rates, charges and discounts expressly set forth in the Master Agreement, or (ii) Customer purchases any services after the expiration of the Term, Customer shall pay Verizon's standard rates for those services, as set forth in the Guide (or Tariffs, if applicable). As used in this Agreement in connection with rates and charges, "standard" refers to rates and charges for Verizon Business Services III ("VBSIII") where applicable. Except where explicitly stated otherwise in the Master Agreement for a particular service, (a) all rates and charges are subject to change, (b) all discount percentages set forth in the Master Agreement are fixed for the Term, (c) Customer will not be eligible to receive any other additional discounts, promotions and/or credits (Tariffed or otherwise), and (d) the rates and charges set forth in the Master Agreement do not include (without limitation) charges for all possible non-recurring charges, access service, local exchange service, charges imposed by a third party other than Verizon or a Verizon affiliate, on-site installation, Governmental Charges (defined below), network application fees, customer premises equipment or extended wiring to or at Customer premises. Verizon may give Customer notice of such changes in rates or charges by posting them on the Guide, by invoice message, or by other reasonable means (notwithstanding Section 19, Notices, below).

6. **Governmental Charges.** Verizon may adjust its rates and charges or impose additional rates and charges in order to recover amounts it is required or permitted by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs ("Governmental Charges"). Examples of such Governmental Charges include, but are not limited to Universal Service funding and compensation payable to payphone service providers for use of their payphones to access Verizon's service.

7. **Taxes.** All Tax-related provisions of the Guide are specifically incorporated by reference herein. In accordance with the Guide, all charges are exclusive of applicable Taxes (as the term is defined in the Guide), which Customer shall pay. However, if applicable, Verizon will exempt Customer in accordance with law, effective on the date Verizon receives a valid exemption certificate for Customer. If Customer is required by the laws of any foreign tax jurisdiction to withhold income or profit taxes from a payment, Customer will, within ninety (90) days of the date of the withholding, provide Verizon with official tax certificates documenting remittance of the taxes to the relevant tax authorities. The tax certificates must be in a form sufficient to document qualification of the income or profit tax for the foreign tax credit allowable against Verizon's U.S. corporation income tax, and accompanied by an English translation. Upon receipt of the tax certificate, Verizon will issue Customer a billing credit for the amounts represented thereby.

8. **Early Termination Charges.** If Customer terminates this Agreement before the end of the Term, or terminates Service before the end of the applicable term commitment, for reasons other than Cause, or Verizon terminates this Agreement or Service for Cause pursuant to the Section entitled "Termination," then Customer will pay, within thirty (30) days after such termination: (a) all accrued but unpaid charges incurred through the date of such termination, plus (b) an amount equal to the difference between (i) Customer's total charges prior to the termination based on its applicable term pricing and/or discounts and (ii) what Customer's total charges would have been for that same period based on the applicable month-to-month pricing and/or discounts, plus (c) any waived installation charges, plus (d) a pro rata portion of any and all credits received by Customer, and any termination charges that may be required pursuant to the applicable Service Attachment. For purposes of this Article, a Customer's proper termination pursuant to the Article below entitled "Appropriated Funding" shall be considered a Customer termination for Cause.

9. **Payment.** Customer agrees to pay all Verizon charges (except Disputed amounts, as defined below) within thirty (30) days of invoice date. Payments must be made at the address designated on the invoice or other such place as Verizon may designate. Amounts not paid or Disputed on or before thirty (30) days from invoice date shall be considered past due, and Customer agrees to pay a late payment charge equal to the lesser of: (a) one and one-half percent (1.5%) per month, compounded, or (b) the maximum amount allowed by applicable law, as applied against the past due amounts. A "Disputed" amount is one for which Customer has given Verizon written notice, adequately supported by bona fide explanation and documentation. Any invoiced amount not Disputed within six (6) months of the invoice date shall be deemed to be correct and binding on Customer. Customer shall be liable for the payment of all fees and expenses, including attorney's fees, reasonably incurred by Verizon in collecting, or attempting to collect, any charges owed hereunder.

10. **Termination.** Either party may terminate this Agreement for Cause. As to payment of invoices, "Cause" means Customer's failure to pay any invoice (excluding Disputed amounts) within thirty (30) days after the invoice date, which failure has not been cured within ten (10) days of receiving notice of it. For all other matters, "Cause" means a breach by the other party of any material provision of this Agreement which has not been cured within thirty (30) days after delivery of notice. Verizon may discontinue Service (without limitation) immediately, without notice, if interruption of Service is necessary to prevent or protect against fraud or otherwise protect Verizon's personnel, facilities or services.

11. **Disconnection of Service.** Customer shall provide prior written notice for the disconnection of Service, as follows. For Service provided exclusively within the United States, Customer must provide thirty (30) days written notice. For all other Service, Customer must provide written notice either (a) of sixty (60) days or (b) equal to the cancellation period required by third parties (such as PTTs) for the non-U.S. Mainland portion of the Service Customer is canceling, whichever is longer. Disconnection notices must be labeled conspicuously "Disconnect Request." Customer should contact its account representative or Customer Service if it does not receive confirmation of the disconnection from Verizon within five (5) business days. Notwithstanding any such termination, Customer will remain liable for any applicable early termination charges set forth in this Agreement.

12. **Confidential Information.** Commencing on the date Customer executes this Agreement and continuing for a period of three (3) years from the termination of this Agreement, each party shall protect as confidential, and shall not disclose to any third party, any Confidential Information received from the disclosing party or otherwise discovered by the receiving party while this Agreement is in effect, including, but not limited to, the pricing and terms of this Agreement, and any information relating to the disclosing party's technology, business affairs, and marketing or sales plans (collectively the "Confidential Information"). The

parties shall use Confidential Information only for the purpose of this Agreement. The foregoing restrictions on use and disclosure of Confidential Information do not apply to information that: (a) is in the possession of the receiving party at the time of its disclosure and is not otherwise subject to obligations of confidentiality; (b) is or becomes publicly known, through no wrongful act or omission of the receiving party; (c) is received without restriction from a third party free to disclose it without obligation to the disclosing party; (d) is developed independently by the receiving party without reference to the Confidential Information, or (e) is required to be disclosed by law, regulation, or court or governmental order, including but not limited to any open records laws, freedom of information laws, or other "sunshine" laws to which Customer is subject.

13. **Disclaimer of Warranties.** EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, VERIZON MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY VERIZON SERVICES, RELATED PRODUCTS, EQUIPMENT, SOFTWARE OR DOCUMENTATION. VERIZON SPECIFICALLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR TITLE OR NONINFRINGEMENT OF THIRD PARTY RIGHTS.

14. **Disclaimer of Certain Damages.** NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF USE OR LOST BUSINESS, REVENUE, PROFITS, OR GOODWILL, ARISING IN CONNECTION WITH THIS AGREEMENT, UNDER ANY THEORY OF TORT, CONTRACT, INDEMNITY, WARRANTY, STRICT LIABILITY OR NEGLIGENCE, EVEN IF THE PARTY KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

15. **Limitation of Liability.** THE TOTAL LIABILITY OF VERIZON TO CUSTOMER IN CONNECTION WITH THIS AGREEMENT, FOR ANY AND ALL CAUSES OF ACTIONS AND CLAIMS, INCLUDING, WITHOUT LIMITATION, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATION AND OTHER TORTS, SHALL BE LIMITED TO THE LESSER OF: (A) DIRECT DAMAGES PROVEN BY CUSTOMER; OR (B) THE AMOUNT PAID BY CUSTOMER TO VERIZON UNDER THIS AGREEMENT FOR THE SIX (6) MONTH PERIOD PRIOR TO ACCRUAL OF THE MOST RECENT CAUSE OF ACTION. NOTHING IN THIS SECTION SHALL LIMIT VERIZON'S LIABILITY: (A) IN TORT FOR ITS WILLFUL OR INTENTIONAL MISCONDUCT; OR (B) FOR BODILY INJURY OR DEATH PROXIMATELY CAUSED BY VERIZON'S NEGLIGENCE; OR (C) LOSS OR DAMAGE TO REAL PROPERTY OR TANGIBLE PERSONAL PROPERTY PROXIMATELY CAUSED BY VERIZON'S NEGLIGENCE.

16. **Assignment.** Either party may assign this Agreement or any of its rights hereunder to an affiliate or successor without the prior written consent of the other party, provided that if Customer assigns this Agreement to an affiliate or successor, then such affiliate or successor must meet Verizon's creditworthiness standards. Any attempted transfer or assignment of this Agreement by either party not in accordance with the terms of this Section shall be null and void.

17. **Service Marks, Trademarks and Name.** Neither Verizon nor Customer shall: (a) use any service mark or trademark of the other party; or (b) refer to the other party in connection with any advertising, promotion, press release or publication unless it obtains the other party's prior written approval.

18. **Governing Law; Disputes.** Except as the Parties may otherwise expressly agree, this Agreement shall be governed by the laws of the state where the Services are provided by Verizon to Customer's locations. Any litigation arising out of or in connection with this Agreement may be brought for trial in any Federal or state court of competent jurisdiction. The parties agree that any such trial shall be without jury. Non-U.S. Services shall be subject to applicable local laws and regulations in any countries where such Services originate or terminate, including applicable locally filed Tariffs. Customer acknowledges that Verizon is governed by the Communications Act of 1934, as amended, and as interpreted and applied by the Federal Communications Commission.

19. **Notice.** All notices, requests, or other communications (excluding invoices) hereunder shall be in writing and either transmitted via overnight courier, electronic mail, hand delivery or certified or registered mail, postage prepaid and return receipt requested to the parties at the following addresses. Except as otherwise provided, notices will be deemed to have been given when received. Customer's notice address is provided on Page 1 of this Agreement unless otherwise noted.

To Verizon:

Verizon Business Services
5055 North Point Parkway
Alpharetta, GA 30022
Attn: Thomas Bostick, MiCTA National Acct. Repr.
Tel: 678-259-1464
Email: tom.bostick@verizonbusiness.com

With fax copies to:

Verizon Business Services
22001 Loudoun County Pkwy
Ashburn, VA 20147
Attn: Vice President, Legal
Fax: 703-886-5807

and to:

Verizon Business Services
2477 Gateway Dr., Ste 100
Room Mail Code 105-B
Irving, TX 75063
Attn: Carlton Baker

20. **Acceptable Use.** Use of Verizon's Internet Service(s) and related equipment and facilities must comply with the then-current version of the Verizon Acceptable Use Policy ("Policy") for the countries from which Customer uses them (see www.verizonbusiness.com/terms). Customer shall be liable to Verizon for any losses, damages, claims, costs or expenses sustained or incurred by Verizon resulting from any violation by Customer of the Policy. Each party will promptly notify the other of any such claim.

21. **Domain Names.** Customer shall ensure that its use of any domain name registered or administered on Customer's behalf does not violate the service mark, trademark or other intellectual property rights of any third party. Any violation of this Section is deemed a material breach establishing Cause for termination. Verizon shall have no liability for any claims that may arise from the acts or omissions of domain name registries, registrars or other authorities.

22. **Resellers/Subcontractors.** Verizon agrees to assume ultimate responsibility in all aspects for the performance of all reseller/subcontractors, if any, utilized to provide products and/or services to Customer under this Agreement. Verizon takes the overall

responsibility and acts as the single point of contact for services purchased from Verizon under this Agreement including, but not limited to, the following:

- 22.1 Addressing all service and product issues, and providing Customer favorable resolution to any reported problems;
- 22.2 Processing and tracking all Customer purchase orders placed through resellers/subcontractors;
- 22.3 Responding to any/all issues related to delivery, installation, warranty, support, etc. when services and/or products were processed through a reseller / subcontractor; and
- 22.4 Acting as the primary liaison between reseller/subcontractor and/or manufacturer on behalf of the Customer.

23 **Appropriated Funding.** If (a) the Term of this Agreement is greater than one (1) year and (b) Customer is purchasing services hereunder solely with funds that are legislatively-appropriated on a single fiscal year basis and Customer is therefore required by applicable law to reserve the following right in all multi-year purchase contracts, then Customer reserves the right to cancel this Agreement, upon not less than thirty (30) days' notice, whenever such funds have failed appropriation or are otherwise made unavailable to Customer to support continuation or performance in any fiscal year succeeding the first.

24. **Compliance with Law.** Verizon (including its subcontractors, if any) and Customer, shall each at their own expense operate in full compliance with all applicable Federal, State and local laws, rules and regulations. Verizon shall maintain in force all licenses and permits required by the states in which it conducts business.

25. **Financial Stability.** Verizon acknowledges that Customer may rely on Verizon's annual and quarterly financial statements and any required Securities and Exchange Commission Certification Reports as a measure of Verizon's financial strength and ability as an ongoing business concern to fulfill its obligations under this Agreement.

26. **Service Level Agreement (SLA).** Unless Customer and Verizon otherwise expressly agree in writing, Verizon's standard SLAs, if any, for the services/products provided under this Agreement shall apply. Should Customer desire other SLAs to meet their specific organizational requirements, Verizon and Customer may negotiate such SLAs, including: services, features, hardware and/or software to be covered; measurable standards of performance and/or quality of service; Customer/Verizon responsibilities defined; Customer's recourse for system and/or hardware/software failure to meet the SLA; and any other element that is mutually agreed upon by both parties, including any cost adjustments for negotiated SLAs. Any negotiated SLAs shall be made part of this Agreement.

27. **Entire Agreement.** This Agreement (and any Attachments and other documents incorporated herein by reference) constitutes the entire agreement between the parties with respect to the Services ordered under this Agreement and supersedes all other representations, understandings or agreements that are not expressed herein, whether oral or written. Except as otherwise set forth herein, no amendment to this Agreement shall be valid unless in writing and signed by both parties. Any requirement for a signature in this Agreement or any Amendment may be satisfied by facsimile transmission of an original signature. Any terms, conditions, or other contents of any purchase order or similar document issued by Customer shall not apply in any way to add to, delete, or modify the terms and conditions of this Agreement, and shall be deemed to be issued only for administrative purposes to reflect Customer's order for the products or services listed herein under the terms of this Agreement.

**ATTACHMENT A
to Member Participation Agreement**

Customer name: Denton Independent School District

1. Service. The Services that Customer may order under this Member Participation Agreement ("Agreement") are those set forth in the MiCTA Master Agreement, including but not limited to the Services set forth below. The rates and charges that shall apply to such Services are the rates and charges that apply under the terms of the MiCTA Master Agreement, including Attachment B of said Master Agreement, which are incorporated herein and made a part of this Agreement.

2. Services Ordered. The parties acknowledge for informational purposes that the Customer's initial order for Services under this Agreement shall consist of the following. Any additions or changes to the following may be made pursuant to the terms of this Agreement.

**Verizon Business 1+ Long distance
INTERSTATE**

Three (3) Year Term.

All rates are per minute, based upon call origination and call termination type								
Ded / Ded	Ded / Sw	Sw / Loc	Sw / Ded	Sw / Sw	Loc / Loc	Loc / Ded	Loc / Sw	Ded / Loc
On-On	On-Off		Off-On	Off-Off				
0.0160	0.0195	0.0195	0.0195	0.0305	0.0160	0.0160	0.0195	0.0160

TX – IntraState

Three (3) Year Term.

All rates are per minute, based upon call origination and call termination type								
Ded / Ded	Ded / Sw	Sw / Loc	Sw / Ded	Sw / Sw	Loc / Loc	Loc / Ded	Loc / Sw	Ded / Loc
On-On	On-Off		Off-On	Off-Off				
0.0180	0.0402	0.0402	0.0402	0.0651	0.0180	0.0180	0.0402	0.0180

- The rates are postalized (not distance sensitive).
- The rates are fixed throughout the term of the contact.
- The rates are for Peak/Off-Peak.
- Annual Volume Commitment is waived

CAC Waiver

Eligible Products: Long Distance Voice Services – Carrier Access Charge

CAC stands for Carrier Access Charge which applies to Multi-Line Business Lines, ISDN PRI lines, and Centrex Lines that are presubscribed to Company service.

Description: Participation Contracts one (1) year or greater, CAC charges will be waived for new and renewing Long Distance Voice customers that sign a new MiCTA Participation Contract, or an amendment renewing the term of a Participation Contract, for Long Distance Voice Service.

Waiver does not apply to existing Long Distance Voice customers.

Customer Eligibility:

- New Customers
- Renewal Customers

IntraLATA PIC Fee Credit Promotion

Description: Available to customers purchasing new Local Toll service from Verizon. Customers are reimbursed a total of \$5.00 for the local exchange carrier's Carrier Change Charge for each line (up to 500) that the customer converts under this promotion from the intraLATA switched services of another interexchange carrier to Verizon as their primary carrier.

- Eligibility: New, renewing and existing customers signing three (3) year term agreement.
- Existing non-renewal customers will receive this promotion only on new circuits added during the promotional period (existing circuits will NOT receive the benefits of the promotion; existing circuits may not be disconnected and reinstalled to gain promotional pricing)
- Existing renewal customers will receive this promotion on NEW CIRCUITS ONLY

Outbound Domestic Calling Feature Charges:

Verified Accounting/ID Codes: Non-expedite VZB charges for Accounting Codes will be waived for customers with annual usage of \$60,000 or greater and with 7,500 or less account codes.*

*Verizon Business reserves the right to charge for accounting codes if the above conditions are not met during the contract term.

All Other Outbound Domestic Calling Feature Charges: Available at current standard rates.

Directory Assistance:

Domestic Directory Assistance = \$0.41

International Directory Assistance = Use standard Guide rates

Calling Card:

For the term of the contract,

Domestic Calling Card Surcharge = \$0.154/per call

International Calling Card Surcharge = \$0.77/per call

Note: In the event of a discrepancy between the rates and charges set forth above and the rates and charges applicable pursuant to the MiCTA Master Agreement, the rates and charges applicable pursuant to the MiCTA Master Agreement shall apply.

Term Commitment. Customer shall purchase the above Services for a minimum period of 36 consecutive months (the "Initial Term") following the execution of this Agreement and installation of the Service.

Service Locations. The above Services shall be provided to Customer under this Agreement at the following locations. Other Customer locations may be added to this Agreement, or changed, only upon mutual assent of the parties.

1212 N. Elm Street, Denton, Texas 76201

3. Service Attachment. Service Attachment(s) for the above Services, if applicable, that are attached hereto or set forth in the MiCTA Master Agreement or Guide, are incorporated herein by reference and shall be a part of this Attachment A.