

## AMENDMENT

to

## INTERCONNECTION AGREEMENTS

**THIS AMENDMENT** (“Amendment”), effective as of February 2, 2007 (the “Amendment Effective Date”), amends each interconnection agreement in the Verizon East service territory (as listed in Attachment 1 hereto) between a Verizon incumbent local exchange carrier (“ILEC”) affiliate (individually and, collectively, “Verizon” or the “Verizon Parties”) and a competitive local exchange carrier (“CLEC”) affiliate of Covad Communications Group, Inc. (individually and, collectively, “Covad” or the “Covad Parties”) (such interconnection agreements being referred to herein individually as an “Interconnection Agreement” and collectively as the “Interconnection Agreements”). Verizon and Covad are referred to herein individually as a “Party” and collectively as the “Parties”.

### WITNESSETH:

**WHEREAS**, Verizon and Covad are Parties to the Interconnection Agreements; and

**WHEREAS**, Covad or one or more of its affiliates is a party in *A.R.C. Networks Inc., et al., v. Verizon New York Inc.*, NYPSC Case No. 04-C-0882 (the “A.R.C. Complaint Proceeding”) in which the complainants alleged various issues regarding Verizon’s billing and collections practices and sought certain relief from the New York Public Service Commission (“NY PSC”); and

**WHEREAS**, Verizon subsequently filed an answer in the A.R.C. Complaint Proceeding in which Verizon, among other things, disputed the validity of the complainants' claims and asserted that the relief sought by the complainants would be unlawful and/or unnecessary; and

**WHEREAS**, the Parties have agreed on a resolution of the issues raised in the A.R.C. Complaint Proceeding and wish to amend the Interconnection Agreements to reflect their agreements on certain billing and related matters associated with Services as set forth in Attachment 2 hereto.

**NOW, THEREFORE**, in consideration of the above recitals and the mutual promises and agreements set forth below, the receipt and sufficiency of which are expressly acknowledged, each of the Parties, on its own behalf and on behalf of its respective successors and assigns, hereby agrees as follows:

1. Amendment to the Interconnection Agreement(s). The Parties agree that the terms and conditions set forth in Attachment 2 hereto, which are incorporated herein by reference, shall amend the Interconnection Agreement(s) and govern the Parties’ mutual rights and obligations with respect to the provisions set forth therein.

2. Conflict between this Amendment and the Interconnection Agreement(s). This Amendment shall be deemed to revise the terms and provisions of the Interconnection Agreement(s) to the extent necessary to give effect to the terms and provisions of this Amendment. In the event of a conflict between the terms and provisions of this Amendment and the terms and provisions of the Interconnection Agreement(s), this Amendment shall govern; provided, however, that the fact that a term or provision appears in this Amendment but not in the Interconnection Agreement(s), or in the Interconnection Agreement(s) but not in this Amendment, shall not be interpreted as, or deemed grounds for finding, a conflict for purposes of this Section 2.

3. Counterparts. This Amendment may be executed by facsimile in counterparts, each of which when so executed and delivered shall be an original and all of which together shall constitute one and the same instrument. Signatures on facsimile copies of this Amendment shall bind the Parties as if such signatures were original signatures.

4. Captions. The Parties acknowledge that the captions in this Amendment have been inserted solely for convenience of reference and in no way define or limit the scope or substance of any term or provision of this Amendment.

5. Joint Work Product. The Parties acknowledge that this Amendment is the joint work product of the Parties, that, for convenience, this Amendment has been drafted in final form by Verizon and that, accordingly, in the event of ambiguities in this Amendment, no inferences shall be drawn against either Party on the basis of authorship of this Amendment.

6. Scope of Amendment. This Amendment shall amend, modify and revise the Interconnection Agreement(s) only to the extent set forth expressly in Section 1 of this Amendment, and, except to the extent set forth in Section 1 of this Amendment, the terms and provisions of the Interconnection Agreement(s) shall remain in full force and effect after the Amendment Effective Date; provided, however, that nothing in this Amendment shall be deemed to amend or extend the term of the Interconnection Agreement(s) or to affect the right of either Party to exercise any right of termination it may have under the Interconnection Agreements; provided further that the rights and responsibilities of the Parties that may survive the termination of the Interconnection Agreements, as set forth below, are not affected by this Section 6. The Interconnection Agreements, as revised and supplemented by this Amendment, may be referred to individually as an "Amended Agreement" and collectively as the "Amended Agreements." For the avoidance of any doubt, this Amendment does not bind (a) Covad except in the District of Columbia, the States of Connecticut, Delaware, Maine, Maryland, New Hampshire, New Jersey, New York, Rhode Island, Vermont, Virginia or West Virginia, or the Commonwealths of Massachusetts or Pennsylvania (collectively, including, without limitation, the District of Columbia, the "States"), and only with respect to those Verizon affiliates specifically named in Attachment 1 and then only with respect to the Services (as defined in Attachment 2) that are provided in the States or (b) Verizon with respect to any Covad affiliate other than those Covad affiliates specifically named in Attachment 1 and then only with respect to the Services (as defined in Attachment 2) provided in the States.

7. Termination. If a court or regulatory body of competent jurisdiction requires

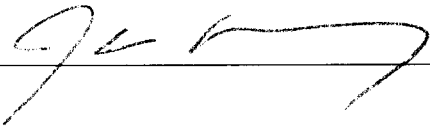
modifications to this Amendment, except for movement of the Amendment Effective Date to some date within ninety (90) days after February 2, 2007, each Party shall have the right to terminate this Amendment after thirty (30) days advance written notice. Furthermore, Verizon may terminate this Amendment immediately upon written notice upon either of the following: (a) if the complainants in the A.R.C. Complaint proceeding fail to file, no later than five (5) business days after the Amendment Effective Date, a written withdrawal and request that the New York Public Service Commission close and dismiss the A.R.C. Complaint Proceeding, or (b) if the New York Public Service Commission fails to close and dismiss the A.R.C. Complaint Proceeding within ninety (90) days after the Amendment Effective Date.

**SIGNATURE PAGE**

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed and delivered by their duly authorized representatives under seal.

**THE COVAD PARTIES**

**THE VERIZON PARTIES**

By: 

By: \_\_\_\_\_

Printed: James Kirkland

Printed: Jeffrey A. Masoner

Title: Senior Vice President and  
General Counsel

Title: Vice President – Interconnection Services  
Policy & Planning

Date: 2/8/07

Date:

**SIGNATURE PAGE**

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed and delivered by their duly authorized representatives under seal.

**THE COVAD PARTIES**

**THE VERIZON PARTIES**

By: \_\_\_\_\_

By: Jeffrey A. Masoner

Printed: \_\_\_\_\_

Printed: Jeffrey A. Masoner

Title: \_\_\_\_\_

Title: Vice President – Interconnection Services  
Policy & Planning

Date:

Date: 2/9/07

COVAD COMMUNICATIONS GROUP, INC.

Attachment 1

CLEC Name	Verizon Legal Entity	State	Original Agreement Effective Date	Amd #
DIECA Communications Inc. d/b/a Covad Communications Company	Verizon New York Inc., d/b/a Verizon New York, f/ka New York Telephone Company, d/b/a Bell Atlantic - New York	CT	12/4/1998	2
DIECA Communications Inc.	Verizon Washington, DC Inc., f/k/a Bell Atlantic - Washington, D.C., Inc.	DC	10/7/1998	3
DIECA Communications Inc.	Verizon Delaware LLC, f/k/a Verizon Delaware Inc.	DE	12/4/1998	1
Covad Communications Company	Verizon New England Inc., d/b/a Verizon Massachusetts, f/k/a New England Telephone and Telegraph Company, d/b/a Bell Atlantic - Massachusetts	MA	7/1/1998	5
DIECA Communications Inc.	Verizon Maryland Inc., f/k/a Bell Atlantic - Maryland, Inc.	MD	10/7/1998	2
DIECA Communications Inc. d/b/a Covad Communications Company	Verizon New England Inc., d/b/a Verizon New Hampshire, f/k/a New England Telephone and Telegraph Company, d/b/a Bell Atlantic - New Hampshire	NH	12/4/1998	2
DIECA Communications Inc.	Verizon New Jersey Inc, f/k/a Bell Atlantic - New Jersey, Inc.	NJ	10/7/1998	2
Covad Communications Company	Verizon New York Inc., f/k/a New York Telephone Company	NY	12/8/2003	1
DIECA Communications Inc.	Verizon Pennsylvania Inc., f/k/a Bell Atlantic - Pennsylvania, Inc.	PAe	10/7/1998	2
DIECA Communications Inc. d/b/a Covad Communications Company	Verizon New England Inc., d/b/a Verizon Rhode Island, f/k/a New England Telephone and Telegraph Company, d/b/a Bell Atlantic - Rhode Island	RI	3/20/2000	2
DIECA Communications Inc.	Verizon Virginia Inc., f/k/a Bell Atlantic - Virginia, Inc.	VAe	10/7/1998	1

## Attachment 2

### Terms and Conditions

#### 1. Definitions.

Notwithstanding anything to the contrary in the Interconnection Agreement(s), this Amendment, in any applicable tariff or SGAT, or otherwise (including a change to applicable law effected after the Amendment Effective Date), the terms defined in this Section (or elsewhere in this Amendment) shall have the respective meanings set forth in this Amendment. A defined term intended to convey the meaning stated in this Amendment is capitalized when used. Other terms that are capitalized, and not defined in this Amendment, shall have the meaning set forth in the Act. Unless the context clearly indicates otherwise, any term defined in this Amendment that is defined or used in the singular shall include the plural, and any term defined in this Amendment that is defined or used in the plural shall include the singular. The words "shall" and "will" are used interchangeably, and the use of either indicates a mandatory requirement. The use of one or the other shall not confer a different degree of right or obligation for either Party. The terms defined in this Amendment have the meanings stated herein for the purpose of this Amendment only, do not otherwise supersede terms defined in the Interconnection Agreement(s) and are not to be used for any other purpose. By agreeing to use the definitions of terms used in this Amendment, neither Party is conceding the definition of a term for any other purpose.

(a) "Act" means the Communications Act of 1934 (47 U.S.C. Section 151 et. seq.), as amended from time to time (including by the Telecommunications Act of 1996).

(b) "Adopting CLEC" means any carrier that adopts (to the extent adoption may be permitted under applicable law), an Interconnection Agreement as amended by this Amendment (this Amendment not being adoptable on a stand-alone basis under 47 C.F.R. § 51.809 or otherwise).

(c) "Amendment Effective Date" means February 2, 2007.

(d) "Bill Date" means the monthly billing date established for each billing account number (BAN) and is the same date from month to month.

(e) "Calendar Quarter" means January through March, April through June, July through September, or October through December.

(f) "CLEC Affiliates" means the entities identified in Attachment 1 to the Amendment, each such entity being a competitive local exchange carrier in one or more Verizon East States and affiliated with each of the other entities as of the Amendment Effective Date. In the case of an Adopting CLEC, "CLEC Affiliates" means each competitive local exchange carrier in one or more Verizon East States that is an affiliate (as defined in 47 U.S.C. § 153(1)) of such Adopting CLEC as of the effective date of such adoption.

(g) “Invoice” shall have the meaning set forth in Section 3 of this Attachment 2.

(h) “Service” means reciprocal compensation, intercarrier compensation, any Interconnection arrangement, Network Element, Telecommunications Service, Collocation arrangement, or other service, facility or arrangement offered for sale by a Party under the Interconnection Agreement(s); provided, however, notwithstanding any other provision of this Amendment, switched access services and special access services (in each case, be they intrastate or interstate, and be they offered under tariffs or contracts) are not included within the Services covered by this Amendment.

## **2. Preconditions.**

The Parties’ agreement to the terms of Section 3 below (as well as the other terms of this Amendment) is expressly conditioned upon all of the following:

(a) Subject to Section 3(a) below, neither Verizon nor Covad shall file, on or at any time after the Amendment Effective Date (or, in the case of an Adopting CLEC, the effective date of such adoption) for so long as the terms of this Amendment remain effective under Section 8 below, any pleadings, comments, letters, *ex parte* communications, or other filings (“Comments”) with (nor shall it meet or otherwise communicate with any representatives of) any court or regulatory agency in the States identified in Section 6 of the Amendment, opposing or challenging a Party’s right or practice of billing retrospectively or limiting Billing Claims (as defined in this Amendment), in accordance with the terms of this Amendment, for Services that a Party has provided (or might provide) to the other Party. For the avoidance of any doubt, nothing herein limits the ability of Covad or Verizon to contest or challenge the other Party’s Invoices for reasons other than the length of time between the date the charges were incurred for a Service and the date the associated Invoice is rendered.

(b) Subject to Section 3(a) below, to the extent Verizon or Covad, prior to the Amendment Effective Date (or, in the case of an Adopting CLEC, the effective date of such adoption), filed any Comments with any court or regulatory agency in the States identified in Section 6 of the Amendment, in which Verizon or Covad made statements or allegations opposing or challenging any right or practice described in Section 2(a) above for Services that Verizon or CLEC has provided (or might provide) to the other Party, Verizon or Covad shall, within ten (10) calendar days after the Amendment Effective Date, withdraw with prejudice, expressly and in writing, any such Comments and shall otherwise cooperate with the other Party in making known to such court or regulatory agency that Verizon or Covad does not oppose or challenge such right or practice. Without limiting the preceding sentence, Verizon and Covad each authorizes the other Party to represent to any such court or regulatory agency with respect to Services that a Party has provided (or might provide) to the other Party that Verizon or Covad does not oppose or challenge any such right or practice. The foregoing requirements of this Section 2(b) shall also apply (without limitation of any other remedies that may be available in the event Verizon or Covad, inadvertently or otherwise, files after the Amendment Effective Date (or, in the case of an Adopting CLEC, the effective date of such adoption) any Comments in violation of Section 2(a) above.

(c) In the event any third party CLEC or provider files or has filed any Comments



with any court or regulatory agency in the States identified in Section 6 of the Amendment, in which the third party CLEC or provider opposes or challenges any Verizon or Covad right to bill retrospectively, or to limit Billing Claims, or any Verizon or Covad practice of billing retrospectively or limiting Billing Claims, for services that are or have been provided pursuant to an interconnection agreement between such third-party CLEC or provider and Verizon or Covad, or pursuant to a tariff for services under Section 251 of the Act, neither Verizon nor Covad shall participate, directly or indirectly, in any related proceeding before such court or regulatory agency unless, for the avoidance of any doubt, such opposition or challenge is with respect to such services that Verizon or Covad, as the case may be, has provided (or might provide).

### **3. General Requirements.**

(a) This Amendment sets forth terms and conditions under which the Parties shall issue, on or after the Amendment Effective Date, all Invoices (as defined in subsection (b) below) for Services provided under the Interconnection Agreement(s), as well as terms and conditions for payment of such Invoices. For the avoidance of any doubt and notwithstanding any other provision of this Amendment, this Amendment does not address or affect in any way a Party's rights or obligations with respect to (i) any Invoices issued by the Parties prior to the Amendment Effective Date or (ii) any settlements that the Parties may have entered into prior to the Amendment Effective Date. As such, e.g., with respect to subsection (i) directly above, none of the Backbill Amount Limitations defined in Section 3(d) below, the Billing Claims limitations described in Section 5 below, or the requirements of Sections 2(a) and 2(b) above shall apply to Invoices issued prior to the Amendment Effective Date.

(b) Except as may otherwise be provided in this Amendment, each Party shall provide to the other Party, on a monthly basis, an itemized statement of charges incurred by the other Party during the preceding month(s) for Services rendered under the Interconnection Agreement(s) (an "Invoice"). Such Invoices shall include: (i) non-usage sensitive charges incurred for the period beginning with the current Bill Date and extending up to, but not including, the next Bill Date (provided, however, that this provision shall not have the effect of limiting any right the billing Party may have to bill in advance for non-recurring charges for a Service that is performed outside of the foregoing time period (e.g., special construction charges)), (ii) any known, non-usage sensitive charges not yet billed (whether unbilled or underbilled) for a prior period(s), provided that the billing for such prior period(s) does not exceed the Backbill Amount Limitations set forth in Section 3(d) below (as applicable, based on the terms of Section 3(d)(iii)), (iii) usage sensitive charges incurred for the period beginning with the last Bill Date and extending up to, but not including, the current Bill Date, (iv) any known usage sensitive charges not yet billed (whether unbilled or underbilled) for prior periods, provided that the billing for such prior period(s) does not exceed the Backbill Amount Limitations set forth in Section 3(d) below (as applicable, based on the terms of Section 3(d)(iii)) and (v) any applicable, known adjustments not yet applied.

(c) Each Invoice shall set forth the quantity and description, as applicable, of the Services provided, and comply with any other requirements of the Interconnection Agreement(s) and this Amendment.

(d) Each Party may send Invoices to the other Party containing amounts found to be unbilled or underbilled for prior billing periods (“Backbill Amounts”) subject to the following limitations (collectively referred to as the “Backbill Amount Limitations”):

(i) Subject to the exceptions set forth in Section 3(d)(iii) below, (A) the billed Party shall not be liable for Backbill Amounts in connection with charges incurred by the billed Party if such Backbill Amounts were incurred earlier than twenty-four (24) months prior to the date of the Invoice including such Backbill Amounts and (B) the billing Party shall not submit Invoices to the billed Party containing Backbill Amounts incurred by the billed Party earlier than twenty-four (24) months prior to the date of the Invoice including such Backbill Amounts. For the avoidance of any doubt, but subject to the exceptions set forth in Section 3(d)(iii) below, if the billing Party does not submit invoices to the billed Party within twenty-four (24) months after the date the charges were incurred, the billing Party unconditionally and irrevocably waives any rights it might have to bill for or collect the subject charges. Subject to the exceptions set forth in Section 3(d)(iii) below, the foregoing waiver shall apply to all Backbill Amounts as to which the billing Party failed to provide an Invoice in accordance with the requirements of this section (such requirements including, but not limited to, the twenty-four (24) month limitation set forth above), regardless of whether such Backbill Amounts fall in the same class of charges as amounts with respect to which the billing Party provided Invoices in accordance with the requirements of this section. Subject to the exceptions set forth in Section 3(d)(iii) below, the foregoing Backbill Amount Limitations shall also apply to any unbilled or underbilled amounts associated with charges that rely on data from third parties. For purposes of this Section 3(d), charges shall be deemed incurred (A) for Services charged on a usage-sensitive basis, upon the date recording of such usage occurred (or should have occurred) and (B) for all other Services, upon the first day of the billing cycle in which the billing Party provided such Services.

(ii) Notwithstanding any other provision of this Amendment, any Invoices containing Backbill Amounts that the billing Party may submit to the billed Party after the expiration or termination of this Amendment, which amounts are with respect to charges incurred prior to such expiration or termination of the Amendment, shall be subject to the Backbill Amount Limitations defined in Section 3(d)(i) above (together with the exceptions thereto, if applicable, set forth in Section 3(d)(iii) below).

(iii) Notwithstanding any other provision of the Interconnection Agreement(s) or this Amendment, the billing Party may send Invoices containing Backbill Amounts for charges incurred by the billed Party earlier than provided for under the Backbill Amount Limitations defined in Section 3(d)(i) above, and the billed Party shall be liable for such Backbill Amounts (subject, however, to bona fide billing disputes, if any, relating to aspects of the Invoices other than the Backbill Amount Limitations defined in Section 3(d)(i) above), under any of the following circumstances:

(A) if the failure to bill or underbilling was caused by the acts, failure or refusal to act, errors or omissions of the billed Party or its agents, or intentional misconduct of the billed Party or its agents, including, without limitation, fraud, misrepresentation, or intentional alteration (or non-provision) of call records;

(B) if the failure to bill or underbilling was caused by a fire, flood, or other occurrences attributable to an act of God; or

(C) if the failure to bill or underbilling was caused by a strike or similar work stoppage (“Work Stoppage”) during the final six (6) months of the 24-month Backbill Amount Limitations period defined in Section 3(d)(i) above, in which case the Backbill Amount Limitations defined in Section 3(d)(i) above shall be tolled for a period equal to the duration of the Work Stoppage.

(iv) A Party shall extend, upon written request, the time for payment of charges on a backbill issued to the other Party (a) to sixty (60) days if billed six (6) months or more but less than twelve (12) months after the date charges were incurred for the Service or (b) to ninety (90) days if billed twelve (12) months or more but less than twenty-four (24) months after the date charges were incurred for the Service. Late payment charges will not be assessed on backbilled charges invoiced six (6) months or more after the date charges for the Service are incurred until after passage, without payment, of the sixty (60) or ninety (90) day period, whichever applies.

#### **4. Billing and Payment of Charges.**

Unless otherwise agreed to in writing by the Parties, Invoices subject to this Section 4 shall be submitted in readable electronic form and contain information consistent with industry standards in Billing Output Specification, Bill Data Tape (BOS BDT) format. Verizon’s and Covad’s payment of billed amounts under this Amendment, whether billed on a monthly basis or as otherwise provided herein, shall be due, in immediately available U.S. funds, on or before the later of the following dates (the “Due Date”): (a) thirty (30) calendar days after the date of the Invoice; or (b) twenty (20) calendar days after the date the Invoice is received by the billed Party. If such payment Due Date would cause Verizon or Covad’s payment to be due on a Saturday, Sunday or Legal Holiday, payment will be due the first business day following such Saturday, Sunday or Legal Holiday. Payments shall be transmitted by electronic funds transfer.

#### **5. Billing Disputes.**

(a) If any portion of an amount billed by a Party under the-Interconnection Agreement(s) is subject to a bona fide dispute between the Parties, the Party billed (the “Disputing Party”) shall give written notice to the billing Party of the amounts it disputes (“Disputed Amount”) through the billing Party’s claims submission process and include in such notice the specific details and reasons for disputing each item. For the avoidance of any doubt, the Disputing Party shall provide such written notice of a bona fide dispute regardless of whether it pays the subject charges. The Disputing Party shall provide any such notices of a bona fide dispute to the billing Party as soon as reasonably possible after receiving the Invoice on which the Disputed Amount first appeared; provided, however, if the Disputing Party does not provide to the billing Party a notice of a bona fide dispute within twenty-one (21) months after the date of the Invoice on which the Disputed Amount first appeared, the Disputing Party unconditionally and irrevocably waives any rights it might have to dispute the subject charges or to recover any

such charges previously paid. The foregoing waiver shall apply to all Disputed Amounts as to which the Disputing Party failed to provide notice of a bona fide dispute in accordance with the requirements of this section (such requirements including, but not limited to, the twenty-one (21) month limitation set forth above), regardless of whether such Disputed Amounts fall in the same class of charges as a Disputed Amount with respect to which the Disputing Party provided a notice of a bona fide dispute in accordance with the requirements of this section. The Disputing Party shall pay, when due, to the billing Party all amounts billed by the billing Party that are not subject to a bona fide dispute of which the Disputing Party has notified the billing Party in accordance with the requirements of this section. Amounts due to the billing Party (including, without limitation, amounts that are not paid by the Disputing Party where the dispute is resolved in favor of the billing Party) that are not paid by the payment Due Date shall be subject to a Late Payment Charge (as defined below) in accordance with the terms of Section 6 of this Attachment.

(b) If the Parties are unable to resolve the issues related to the Disputed Amounts, then either Party may pursue dispute resolution pursuant to the terms of the applicable Amended Agreement, provided however, Verizon and Covad agree that neither Verizon nor Covad will make claims against the other Party or any affiliate of the other Party in any court, regulatory commission, arbitration tribunal, or other forum in the States identified in Section 6 of the Amendment, (a “Billing Claim”), for credits, refunds, interest, penalties and/or related damages or the like except where, in accordance with the requirements of Section 5(a) above, written notice of a bona fide dispute has been given by the Disputing Party to the billing Party not later than twenty-one (21) months after the date of the Invoice on which the Disputed Amount first appeared.

(c) Except as set forth above, payment of any amounts under this Amendment does not constitute a waiver of either Party’s rights under the terms of an Amended Agreement to contest its obligation to pay any amounts allegedly owed under such Amended Agreement or to seek a refund for any amount paid. In the event a Billing Claim is resolved in a manner that entitles the Disputing Party to bill credits, the billing Party shall provide any appropriate bill credits to the Disputing Party within sixty (60) days of incurring the obligation to provide such credits. If the Disputing Party paid the billing Party the Disputed Amount prior to resolution of the Billing Claim in the Disputing Party’s favor, the billing Party shall refund, within sixty (60) days of incurring the obligation to make such refund, the amount paid by the Disputing Party (and resolved in its favor), together with interest thereon at a rate of one-and-one-half per cent (1.5%) per month from the date that the Disputing Party paid such amount to the billing Party until the date the billing Party refunds such amount to the Disputing Party.

(d) Notwithstanding any other provision of this Amendment, any Invoices for Services containing amounts that the billing Party may submit to the billed Party after the expiration or termination of this Amendment, which amounts are with respect to charges incurred prior to such expiration or termination of the Amendment, shall be subject to the Billing Claims limitations set forth in this Section 5.

## **6. Late Payment Charges.**

If either Party fails to remit a payment (including, without limitation, a Late Payment Charge) for any undisputed charges by the payment Due Date, or if a payment or any portion of a payment is received by either Party after the payment Due Date, or if a payment or any portion of a payment is received in funds which are not immediately available to the other Party, or if a Party disputes (and does not pay) a charge that is later resolved in the billing Party's favor, then a late payment penalty ("Late Payment Charge") shall be assessed. No other late payment fee applies to overdue amounts. The Late Payment Charge shall be in an amount specified by the billing Party which shall not exceed a rate of one-and-one-half percent (1.5%) of the overdue amount (including any unpaid previously billed Late Payment Charges) per month. In the case of a charge that the Disputing Party disputes, but which charge is resolved in the billing Party's favor, the foregoing Late Payment Charge shall accrue from and after the payment Due Date in the original Invoice for the amounts that were disputed until the Billing Party receives the subject payment.

## **7. Assurance of Payment.**

(a) At any time and from time to time, based on the conditions set forth in this Section 7, Verizon may request, and Covad shall provide to Verizon, adequate assurance of payment of amounts due (or to become due) to Verizon under the Amended Agreement in the applicable State.

(b) Upon request by Verizon, Covad shall, at any time and from time to time, provide to Verizon adequate assurance of payment of amounts due (or to become due) to Verizon hereunder if (i) Covad in any two (2) months out of any twelve (12) consecutive month period fails to pay when due to Verizon amounts not subject to a bona fide dispute (including, without limitation, such past due amounts from previous billing periods) that in total equal or exceed five percent (5%) of the total amount not subject to a bona fide dispute due to Verizon during that month for Services billed by Verizon and fails to cure such nonpayment within five (5) business days of Verizon's written notice of nonpayment or (ii) Covad admits its inability to pay its debts as such debts become due, has commenced a voluntary case (or has had a case commenced against it) under the U.S. Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization or the like, has made an assignment for the benefit of creditors or is subject to a receivership or similar proceeding. Unless otherwise agreed by the Parties, the assurance of payment shall consist of an unconditional, irrevocable standby letter of credit naming Verizon as the beneficiary thereof and otherwise in form and substance satisfactory to Verizon from a financial institution acceptable to Verizon, in an amount equal to two (2) months anticipated charges (including, without limitation, both recurring and non-recurring charges in the State in question), as determined by the most recent two (2) months billings (but not including Backbill Amounts), for the Services, facilities or arrangements to be provided by Verizon to Covad in connection with the Interconnection Agreement(s). Verizon may (but is not obligated to) draw on the letter of credit upon notice to Covad in respect of any amounts not subject to a bona fide dispute billed hereunder that are not paid within thirty (30) days of the date of the applicable statement of charges prepared by Verizon. The fact that a letter of credit is requested by Verizon hereunder shall in no way relieve Covad from its obligations to pay for Services, nor constitute a waiver or modification of the terms herein pertaining to the discontinuance of service for nonpayment of any sums (not subject to a bona fide dispute) due to Verizon for the Services,

facilities or arrangements rendered.

(c) If Covad has provided assurance of payment to Verizon pursuant to the terms of this Section 7, but at least twelve (12) months have passed since the provision of such assurance of payment without the occurrence of a non-payment triggering event (i.e., as set forth in Sections 7(b)(i)(A) or 7(b)(i)(B) above), then upon written request from Covad, Verizon shall return to Covad such assurance of payment.

## **8. Waiver of Rights; Successor Terms.**

(a) Subject to Section 8(b) below: (i) each Party irrevocably waives, with respect to the other Party, any and all rights that it may have or that it may obtain, from the beginning of time through and including February 1, 2010, under the Act (including, but not limited to, under Section 252(i) thereof), under any other applicable law, under the Interconnection Agreement(s), or otherwise (i) to adopt the terms of any other interconnection agreement, law, regulation, order, arbitration award or the like relating to the subject matter of this Amendment; or (ii) to seek through negotiation, arbitration, or otherwise terms or provisions that would modify, replace, alter or otherwise change the terms and provisions of this Amendment prior to February 2, 2010; provided, however, that, for the avoidance of any doubt, nothing in this Section 8(a) shall prohibit a Party from adopting an interconnection agreement if otherwise permitted under applicable law, provided, that, in accordance with Section 8(b) below, the terms of this Amendment shall apply to and amend such adopted interconnection agreement as to the matters set forth herein for the duration of the period set forth in Section 8(b) below (as it applies in the case of an Adopted Replacement Agreement).

(b) Notwithstanding Section 8(a) above, any other provision of the Amended Agreement, or otherwise (but subject to Section 7 of the Amendment), either Party may, with nine (9) months written notice given no earlier than May 1, 2009, terminate the terms of this Amendment (the effective date of such termination, which shall not be before February 1, 2010, being the "Termination Date" and the date of provision of such notice being the "Termination Notice Date"). In the event of such termination: (i) if, as of the Termination Date, the Interconnection Agreement remains effective between the Parties and has not been replaced by a new or successor interconnection agreement, the terms of the Interconnection Agreement, excluding the terms of this Amendment, shall govern as to the matters set forth herein until such time as the Interconnection Agreement is replaced by a new or successor interconnection agreement; (ii) if, as of the Termination Date, the Interconnection Agreement has been replaced by an interconnection agreement adopted pursuant to Section 252(i) of the Act or other provision of applicable law (an "Adopted Replacement Agreement") that remains effective between the Parties, the terms of such Adopted Replacement Agreement, excluding the terms of this Amendment, shall govern as to the matters set forth herein until such time as such Adopted Replacement Agreement is replaced by a new or successor interconnection agreement. If the Parties enter into a voluntarily negotiated Interconnection Agreement that becomes effective prior to February 2, 2010, the terms of such voluntarily negotiated Interconnection Agreement, including those terms addressing the matters set forth in this Amendment, shall govern during the period that such Interconnection Agreement is effective. If a Party provides notice of termination of this Amendment, in accordance with the terms of this Section, each Party on and

after the Termination Notice Date, may in writing initiate negotiations under Sections 251 and 252 of the Act for terms to replace the terms set forth in this Amendment.

(c) Neither Party hereby waives any other rights accorded to it under applicable law, except to the extent expressly stated in this Amendment. Subject to and without limiting the provisions of Section 2 of this Attachment, nothing in this Amendment should be construed or interpreted as limiting in any way either Party's rights to pursue in any forum regulatory or legislative reform and/or changes to applicable law.