

SUB-DISTRIBUTOR AGREEMENT

Subject to and in accordance with all the terms and conditions of this agreement (the “**Agreement**”), the undersigned party (“**SubVAD**”) agrees this ___ day of _____ (“**Effective Date**”) to the appointment by Ingram Micro Inc. (“**VAD**”) as its sub-distributor for Authorized Verizon Products subject to the terms and conditions set forth herein. SubVAD, wishing to be legally bound, agrees as follows:

1. **Definitions.** Capitalized terms used but not defined herein have the meanings set forth in Exhibit A.
2. **Appointment.** VAD appoints SubVAD as a sub-distributor of Authorized Verizon Products in the Territory to exercise the non-exclusive rights to offer, resell, market and distribute the Authorized Verizon Products and otherwise exercise the rights afforded SubVAD in this Agreement, and SubVAD accepts such appointment. SubVAD shall be a participant in the Verizon Value Added Distributor Program (“**VAD Program**”) and a member of the Verizon Partner Program (VPP) at the Tier Level(s) assigned to SubVAD during the term of this Agreement as set forth herein. This Agreement is non-exclusive.
3. **Prices; Ordering.** Unless otherwise agreed in writing, VAD retains the right to prescribe the terms under which Authorized Verizon Products are offered and to change those terms as set forth herein, in the Verizon Partner Program Guide, or any other Verizon publication including but not limited to any Verizon website (collectively referred to as “**Publications**”). The Publications shall be deemed to be incorporated herein by reference, will be provided upon request, and will be maintained on a Verizon website, and may be modified by Verizon from time to time and thereby affect the service furnished to the customers. This includes, but is not limited to, the right to change prices, restrict offerings, amend regulations, or modify or entirely discontinue the offering of specific services, with or without notice to SubVAD and without incurring any liability to SubVAD. Any such change, restriction, amendment or discontinuance will be at Verizon’s and/or VAD’s sole discretion, and will become effective on the date specified by Verizon or VAD, as applicable. In any communication with End-User Customers or other end users, SubVAD will not disseminate pricing for Authorized Verizon Products other than the published pricing outlined in Publications. SubVAD will not offer volume discounts, rebates, waivers, or any other price adjustment for Authorized Verizon Products, except with the express written authorization of Verizon. SubVAD will not make any warranties with respect to any Authorized Verizon Products unless agreed in writing by VAD and Verizon. SubVAD may not bind Verizon or VAD or enter into any agreements on either of their behalf, including but not limited to agreements with End-User Customers or other end users. SubVAD shall order Authorized Verizon Products as described in Exhibit A.
4. **Compensation.** VAD shall pay compensation to SubVAD in accordance with Exhibit A, provided that SubVAD is in full compliance with this Agreement, for Subscribers Activated by SubVAD. Any compensation paid to SubVAD is exclusive of federal, state and local taxes, tax-like charges, fees, and surcharges. SubVAD will be responsible for all such taxes due as a result of receiving payments of commissions or other compensation, including, but not limited to, income taxes and withholding taxes. All of the expenses and costs that SubVAD incurs in connection with SubVAD’s efforts to perform under this Agreement will be entirely SubVAD’s responsibility. Neither Verizon nor VAD will be responsible or liable for such expenses of SubVAD, SubVAD’s, employees, agents, independent contractors, or other representatives.
5. **Term; Termination.** This Agreement is effective as of the Effective Date and shall be co-terminus with the Verizon Partner Program Master Services Agreement between VAD and Verizon (“**Master Agreement**”). In the event of termination of the Master Agreement, this Agreement shall automatically terminate. VAD may terminate this Agreement at any time with or without cause upon notice to SubVAD.
6. **SubVAD Responsibilities.** If SubVAD changes or expands its representation of VAD within the Area, for example, but not limited to, changing, closing or adding any Authorized Location, a Change of Control of SubVAD, or change of the SubVAD’s legal name or change of new fictitious name, trade name or “dba”, SubVAD shall submit an updated application for Verizon approval prior to the effective date of the proposed change.
 - (a) SubVAD shall conform to the highest ethical standards for advertising and will comply with all Verizon standards for use of Marks and advertising, and in promotional, and training material to be used or distributed by VAD to Subscribers or potential Subscribers.
 - (b) All advertising and promotional materials shall be submitted to VAD or its designee for written approval before publication or dissemination. SubVAD shall comply with the terms and conditions of any Verizon Advertising Guidelines and shall abide by the policies and procedures set forth in the Publications.
 - (c) SubVAD shall comply with and shall process all Subscriber applications in accordance with all Verizon procedures and practices communicated to SubVAD for the solicitation of, presentations to, and Activation of Subscribers and the retention of related records, all of which are subject to change upon notice.
 - (d) Unless otherwise agreed in writing, SubVAD shall not conduct any telemarketing under this Agreement. SubVAD shall also not distribute e-mail campaigns, advertising, and/or solicitations (collectively “**E-mail Solicitations**”) that exclusively or primarily offer Authorized Verizon Products. All E-mail Solicitations in which Authorized Verizon Products are offered shall identify SubVAD as the sender of the E-mail Solicitation, and the body of any such E-mail Solicitation shall be designed in a manner that gives the impression that the E-mail Solicitation is being made by SubVAD. SubVAD shall not transmit to any mobile number or

email address any unsolicited or unauthorized commercial material, including, but not limited to, advertising, promotional materials, "junk mail," "SPAM," chain letters, pyramid schemes, or other undesirable material.

7. Confidentiality. Except as expressly permitted in this Section 7, each party shall keep confidential and not disclose to any third party (except to any consultants, subcontractors or unaffiliated third parties with a need to know that agree to be bound in writing to the confidentiality provisions set forth in this Agreement), or use for its own benefit or for the benefit of any third party during the term of this Agreement and thereafter, any Confidential Information disclosed by the other party to it or otherwise obtained during the course of its performance hereunder or the negotiation of this Agreement. Each party shall secure and protect the Confidential Information of the other in the same manner as it would secure and protect its own Confidential Information, but in no event using less than a reasonable duty of care. Each party shall limit disclosure of Confidential Information to only those employees that have a need to know such information and shall take appropriate action by instruction or agreement with such employees to assure fulfillment of its obligations hereunder. Each party shall cooperate with and assist the other in identifying and preventing any unauthorized use, copying or disclosure of the Confidential Information. Notwithstanding the foregoing, a receiving party may disclose Confidential Information to the extent required by law, a court or other governmental body, or pursuant to any applicable securities exchange requirement without consent of the disclosing party; provided that the receiving party gives the disclosing party advance notice of such requirement to enable the disclosing party to seek a protective order or other confidential treatment if possible. Nothing herein shall restrict either party from disclosing to a third party that it has a relationship with the other party and that it is subject to confidentiality obligations. The obligations in this Section 7 do not apply to information, whether or not designated as confidential or proprietary, that (a) is or becomes generally available to the public through no act or failure to act by the receiving party, (b) is already known by the receiving party at the time of receipt as evidenced by its competent written records in existence at the time of disclosure, (c) is provided to the receiving party by a third party not bound by an obligation of confidentiality, as matter of right and without restriction on disclosure, (d) is independently developed by the receiving party without access to the disclosing party's Confidential Information as evidenced by the receiving party's competent written records in existence at the time of disclosure, or (e) is disclosed to a third party by the disclosing party without a similar nondisclosure restriction.

SubVAD acknowledges that privacy obligations under the law, including without limitation Customer Proprietary Network Information (or "**CPNI**") regulated by the Federal Communications Commission ("**FCC**"), may prevent the provision of certain customer information to SubVAD. Notwithstanding the foregoing, and only to the extent that it is necessary to implement the relationship contemplated and developed pursuant to this Agreement between the parties, SubVAD is appointed (except with regard to the business model reflected herein) as its limited agent for the sole purpose of receiving, safeguarding and utilizing CPNI, Personal Information, and/or Subscriber Information (collectively, "**Customer Information**"). If SubVAD comes into possession of Customer Information, SubVAD shall adopt effective technical, physical and organizational measures that safeguard and limit disclosure of Customer Information solely to SubVAD's personnel with a need to know such Customer Information for the performance of work under this Agreement and to the Verizon customer whose Customer Information is to be disclosed; provided, however, that Verizon Call Detail Information may not be disclosed to Verizon customers/Subscribers unless this Agreement is amended to specifically authorize such disclosure. If such disclosure is authorized under this Agreement, before Call Detail Information may be disclosed to the Verizon customer/Subscriber, SubVAD must verify the identity of the Verizon customer/Subscriber in accordance with FCC rules on the safeguarding of call detail (see FCC 07-22, Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 96-115), and confidential guidelines that will be provided to SubVAD in a secure manner. Except and solely as provided in this subsection and this Agreement, SubVAD shall have no other power, express or implied, to act for or on behalf of VAD or Verizon. In the event Company uses subagents (which must be approved in advance in writing by VAD), SubVAD represents and warrants that it will adopt technical, physical and organizational measures that safeguard and limit disclosure of Customer Information solely to those: (i) having the same agency relationship with SubVAD as is granted to SubVAD in this Section 7 (ii) who have a need to know such Customer Information for the performance of the duties under this Agreement; (iii) who agree, in advance, in writing, to be bound by this Agreement; and (iv) who are bound under the terms of a written agreement with Company to safeguard such Customer Information from unauthorized use and disclosure. This appointment supersedes any and all prior appointments, and it may be revoked and terminated by Verizon or VAD, in its sole discretion, effective immediately, by written notice to SubVAD. SubVAD will successfully complete all Verizon-required or VAD-required CPNI training and certify that all of its employees and any subagents have taken and successfully completed such CPNI training.

8. SubVAD Limited Authority and Obligations.

- (a) SubVAD shall in comply with all federal, state and local laws, and all Verizon and VAD processes and procedures.
- (b) SubVAD, at its expense, shall adequately train its personnel and shall require its entire customer facing personnel to successfully complete any Verizon required training, within the timeframes and at the frequency reasonably established by Verizon or VAD. SubVAD shall maintain records of the training completed by its personnel and shall provide VAD with written confirmation of its ongoing compliance with this subsection.
- (c) Further, SubVAD agrees to the following:
 - SubVAD shall inform Subscribers that Verizon's obligations to Subscriber are only those set forth in the agreement for Verizon Service between Verizon and Subscriber. SubVAD shall not represent or promise that Subscribers or potential Subscribers shall be charged for Verizon Service at any rate other than those established by Verizon for which Subscriber is eligible in Verizon's sole discretion. SubVAD shall not impose

any type of fees for Verizon Service on a Subscriber (including, but not limited to, unauthorized deposits on credit cards, Activation fees, early disconnect, chargeback, or similar fees), via separate contract or otherwise, other than those provided for by Verizon as part of Verizon's Activation or business processes and procedures.

- SubVAD understands, acknowledges and agrees that Subscribers are customers of Verizon, and SubVAD does not have and shall not acquire any property interest or exclusive rights in Subscribers that Activate Verizon Service through SubVAD. Subscriber Information shall be considered Verizon Confidential Information, not be deemed excluded under any provision of this Agreement, and SubVAD shall keep all Subscriber Information confidential and shall not disclose it to any third party or use it for its own benefit, or for the benefit of any third party, at any time during or after the term.
- Upon Activation of a Subscriber, that Subscriber shall become the customer of Verizon for Verizon Service, and Verizon shall offer and furnish such customer billing services as Verizon deems appropriate. Verizon shall be responsible for collecting any unpaid Verizon Service charges owed by Subscribers and shall have the right to disconnect a Subscriber for nonpayment. SubVAD shall not have the right or obligation to collect from Subscribers any charges for Verizon Service.
- Verizon is not a party to this Agreement and Verizon shall have no obligations or liability, contractual or otherwise, to SubVAD. SubVAD acknowledges and agrees that it is not intended to be, and shall not be deemed, a third-party beneficiary of the Master Agreement.
- SubVAD understands, acknowledges and agrees that VAD and/or Verizon shall have the right, in its sole discretion, to consent, reject or rescind its approval of SubVAD and to revoke the authority of SubVAD to offer, sell and market Authorized Verizon Products in any portion or all of the Area immediately upon written notice to VAD.
- SubVAD's authorization to sell Authorized Verizon Products shall commence upon confirmation to VAD by Verizon of authorization and shall continue hereafter until de-authorization, which may be implemented by Verizon or VAD for any reason upon written notice. In the event of termination or de-authorization, SubVAD will immediately cease promoting, marketing, and otherwise selling Authorized Verizon Products and the parties shall reconcile all accounts. SubVAD shall fully perform any obligations to Subscribers, VAD and Verizon, provided such obligations were incurred prior to the effective date of such de-authorization. In the event of termination of the Master Agreement, SubVAD agrees that it shall be considered immediately de-authorized by VAD and shall perform the obligations as described above.

9. Representations and Warranties.

SubVAD represents and warrants:

(a) the execution, delivery and/or performance of this Agreement will not conflict with or result in any breach of any provision of the charter or by-laws of SubVAD or any agreement, contract, or legally binding commitment or arrangement to which SubVAD is a party;

(b) it is not subject to any limitation or restriction (including, without limitation, non-competition/exclusivity, and confidentiality arrangements) which would prohibit, restrict or impede the performance of any of SubVAD's obligations under this Agreement;

(c) that no service performed by SubVAD pursuant to this Agreement shall be provided, directed, controlled, supervised, or managed, and no Subscriber Information relating to any such service shall be stored or transmitted, at, in, or through a site located outside of the United States. SubVAD further represents, warrants and covenants that it will not use, or allow the use, outside of the United States of any user identifications and passwords assigned to it for access to the Subscriber Information; and

(d) SubVAD represents and warrants that to the extent that SubVAD is bound by the provisions of the Health Information Portability and Accountability Act of 1996 as amended and implemented by the associated regulations (collectively "**HIPAA**") and the Health Information Technology for Economic and Clinical Health Act as amended and as implemented by the associated regulations (collectively "**HITECH Act**") (together, the "**Acts**"), if SubVAD utilizes, directly or indirectly, any part of the Verizon Network and/or Verizon offerings to transmit, receive, store, or process Protected Health Information ("**PHI**") as that term is defined under HIPAA, then SubVAD shall take all necessary precautions to safeguard such PHI so that SubVAD shall be compliant with the applicable provisions of the HIPAA Privacy and Security Rule.

(e) SubVAD represents and warrants that in the event that any product/solution/offering that it markets is or may be found subject to the provisions of the Communications Assistance for Law Enforcement Act (Pub L. 103-414, Title 1, October 25, 1994, 108 Stat 4279, as amended) ("**CALEA**"), SubVAD will use commercially reasonable efforts to work with the manufacturer thereof to comply with CALEA. SubVAD further represents and warrants that it will reasonably cooperate with Verizon in order to facilitate Verizon's compliance with CALEA and any regulations that implement Verizon's obligations under that law, as such concerns any of SubVAD's solutions offered for use or used on Verizon Service. On the request of Verizon pursuant to a lawful request from law enforcement, SubVAD represents and warrants that it will, to the extent able, provide all call identifying information and content of communications in a decrypted and unencoded format for any of its

products/solutions/offerings to Verizon, or, alternatively, provide such information directly to law enforcement (and so notify Verizon) upon lawful request. In the event of a change of law hereafter that places a duty on SubVAD, SubVAD represents and warrants that it will become compliant with CALEA or cease to offer it as available for use in connection with Verizon Service.

(f) SubVAD shall comply with the NACHA Operating Rules, any operating rules of any credit card association and the Payment Card Industry ("PCI") compliance standards with respect to the performance of its obligations under this Agreement.

SubVAD shall comply with all applicable federal, state or local laws, orders, rules, regulations, ordinances relating to privacy, consumer protection and the safeguarding and/or protecting of Subscriber Information, including without limitation, CPNI regulations ("**Privacy Laws**"). SubVAD shall notify the applicable VAD within twenty-four (24) hours following SubVAD learning of a disclosure of Subscriber Information.

(g) OFAC Compliance. None of the SubVAD, its employees, or Entities under its Control (i) is an Entity whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) engages in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such Entity in any manner violative of Section 2, or (iii) is an Entity on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

Prior to providing access to PRM, SubVAD will insure that employees and subcontractors are screened against U.S. Government lists of individuals and entities of concern, including but not limited to the (1) List of Specially Designated Nationals and Blocked Persons (maintained by the U.S. Department of the Treasury, Office of Foreign Assets Control), (2) the Entity List, Denied Persons List, and Unverified List maintained by the U.S. Department of Commerce, and (3) lists of entities of concern maintained by the U.S. Department of State. SubVAD will insure that access is not provided to any employee that appears on any list designated above.

(h) The SubVAD and each of its employees, or Entities under its Control are in compliance, in all material respects, with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001. No part of the proceeds of any compensation, commission or retainer fee, as applicable paid to SubVAD under this Agreement, will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

10. Records. SubVAD shall maintain, during the term of this Agreement and for a period of a least six (6) years thereafter, in accordance with generally accepted accounting principles consistently applied, such books and records as shall be necessary to understand SubVAD's performance under the VAD Program. SubVAD shall provide financial information and access to key SubVAD personnel as may be reasonably requested from time to time by Verizon or VAD. Upon reasonable notice, Verizon or VAD (it's internal auditors and/or independent auditors) may inspect and audit, during regular business hours at SubVAD's office, all of SubVAD's property, books, and records that directly or indirectly relate to SubVAD's performance and obligations under this Agreement. SubVAD shall provide such access to personnel, property, and records as is reasonably necessary to effectuate Verizon's or VAD's audit or audits hereunder. Verizon's or VAD's auditors may copy any documents that may be properly audited hereunder. Such audit rights shall continue (despite expiration or termination of this Agreement) for the period of time no less than the records retention period required by this Agreement for the records to be audited by Verizon or VAD. SubVAD shall, upon Verizon's request in the event Verizon reasonably believes that SubVAD's security processes pose an unacceptable risk to Verizon, conduct an audit of SubVAD's practices and procedures regarding data security and protection of its Customers' confidential information according to industry-recognized standards mutually agreeable to both parties. SubVAD will make summary reports of the scope and results of such audits available to Verizon promptly upon completion of such audit, subject to Verizon's treatment of such summary reports as Confidential Information of SubVAD. If the results of an audit reveal material data security deficiencies or other material deficiencies, SubVAD will remediate promptly any such deficiencies and will consult with Verizon and VAD regarding the progress of such remediation.

11. Security Requirements. In the event that Verizon or VAD provides SubVAD access to any systems, SubVAD agrees to comply with any and all policies and procedures related to such systems. SubVAD must complete any Verizon-provided documentation and return to Verizon prior to Verizon granting access to SubVAD to any Verizon systems. In addition, SubVAD will establish and be responsible for maintaining procedures to provide physical site security for all systems and operation environments within its facilities used in meeting the Verizon system access requirements. Verizon reserves the right, at its discretion, to review, audit, and approve any procedures established for this purpose. Any security procedures established would include, as appropriate, protection from losses due to natural threats, forced entry, acts of violence, and internal sabotage. Verizon accepts no responsibility in the event that SubVAD's site is compromised or is suspected of being compromised via a network connection between Verizon and SubVAD.

12. Code of Conduct. In performing this Agreement, SubVAD will observe the highest standard of integrity and fair dealing and will not do anything to discredit, dishonour, reflect adversely upon or in any manner injure the reputation or business of the other.

SubVAD shall (and shall cause all SubVAD personnel, VARs, and SubVAD subcontractors to) comply with VAD's Code of Conduct located at www.ingrammicro.com.

13. Modification. Unless otherwise specified, VAD may make modification to this Agreement with written notice to SubVAD. Any changes or additions to the PRM portal or such other communication tool that may replace, or be in addition to, the PRM portal shall be incorporated herein by reference.

14. Indemnification. SubVAD shall indemnify and hold harmless VAD, its Affiliates, Verizon and their respective directors, officers, employees, contractors, agents, shareholders, and/or any successors and/or assignees thereof, and their respective heirs and legal representatives (collectively, "**VAD Indemnitees**"), from and against any and all losses, damages, expenses (including reasonable attorney's fees) or liabilities of any kind (collectively, "**Losses**") resulting from any claims, demands, causes or actions, lawsuits or proceedings of any kind (collectively, "**Claims**") brought against any VAD Indemnitee resulting from, arising out of or relating to: **(a)** SubVAD's breach of this Agreement; and **(b)** the alleged negligence or willful misconduct and/or acts or omissions of SubVAD and/or its Affiliates, personnel, employees, contractors, subcontractors or customers. VAD Indemnitees shall be indemnified and held harmless by SubVAD from and against all Losses associated with document production, depositions, interrogatories and related demands, arising either from private third party Claims or governmental Claims or investigations against or concerning the SubVAD where VAD Indemnitee is neither a party to nor target of such Claims or investigations. SubVAD will bear all expenses in connection with the defense and/or settlement of any such Claims. The VAD Indemnitee will have the right, at its own expense, to participate in the defense of any Claim against which it is indemnified. Without the written consent of the Indemnitee, the Indemnifying party may not consent to the entry of any judgment or enter into any settlement with respect to any such Claim which does not include an unconditional release of the Indemnified party by the claimant from all liabilities in respect of such Claims;

15. LIMITED LIABILITY. VAD SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR SPECIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO LOST PROFITS, LOST BUSINESS, OR OTHER COMMERCIAL OR ECONOMIC LOSS, WHETHER SUCH DAMAGES ARE CLAIMED FOR BREACH OF CONTRACT, NEGLIGENCE OR OTHERWISE AND WHETHER OR NOT VAD HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS LIMITATION OF LIABILITY SHALL APPLY TO, AND BE FOR THE BENEFIT OF, VERIZON AS INTENDED THIRD-PARTY BENEFICIARY OF THIS AGREEMENT.

16. Insurance. Without limiting SubVAD's duty to indemnify VAD as set forth in this Agreement, SubVAD shall maintain during the term of this Agreement and for a period of one (1) year thereafter, at SubVAD's sole expense, insurance as specified in Exhibit C or as otherwise specified by Verizon or VAD from time to time. SubVAD shall provide evidence of compliance with the insurance requirements herein within ten (10) days of the Effective Date.

17. Miscellaneous. Verizon shall not be considered a party to any contract or contracts between VAD and SubVAD and Verizon shall have no obligations or liabilities under any such contracts. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, exclusive of its conflicts of law provisions. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. It is understood and agreed that this Agreement is not subject to any implied duties of good faith or fair dealing. In the event that any provision or part thereof, of this Agreement is declared invalid or unenforceable by a final non-appealable ruling by a court or agency of competent jurisdiction, the remaining provisions hereof shall in no way be invalidated thereby but shall continue in full force and effect, provided that the material intent of this Agreement is not altered. The rights of the parties are cumulative, and the exercise of any rights or remedies shall not preclude the exercise by either party of other rights and remedies, available either within or outside of this Agreement, in addition to the rights or remedies exercised. Furthermore, no exercise or enforcement by a party of any rights or remedies hereunder or forbearance from such exercise shall preclude the exercise or enforcement by such party of any other right or remedy hereunder, or the exercise or enforcement of the same right or remedy at another time or in another instance. This Agreement is fully assignable by VAD to any Entity, and it shall inure to the benefit of any assignee or other legal successor to the interest of VAD hereunder. SubVAD shall not, whether involuntarily or voluntarily, by merger or otherwise by operation of law, permit a Change of Control or transfer Control of SubVAD, or assign, delegate or transfer, in whole or in part, this Agreement, to any Entity without the prior written consent of VAD. Subject to the foregoing sentence, this Agreement is binding upon the parties and their respective executors, administrators, heirs, and permitted assigns and successors in interest. Except for the Procedural Guide, which is subject to change from time to time at VAD's discretion, and which reflects both Verizon's and VAD's business practices and procedures with respect to SubVAD, or as otherwise expressly set forth herein all changes to this Agreement must be in writing and fully executed by an authorized representative of each party. SubVAD shall not assign or delegate to any Entity any rights or obligations that SubVAD has under this Agreement with respect to the offer, sale, or marketing of Verizon Service to any Entity. No provision of this Agreement shall be construed as conferring upon any third party, any rights, benefits, obligations or duties under this Agreement, unless expressly set forth otherwise herein. Headings to articles and paragraphs of this Agreement are to facilitate reference only, do not form a part of this Agreement and shall not in any way affect the interpretation hereof. Those terms and provisions herein that by their sense and context are intended to survive the termination or expiration of this Agreement, including Sections 7, 14 and 15, shall so survive. In the event that the dispute resolution and arbitration clause is deemed unenforceable, with respect to any judicial action which may arise under or with respect to this Agreement, or any relationship or dealings between the parties that arise out of or by virtue of this Agreement, each party agrees to waive trial by jury. SubVAD consents to the bringing of any such action under this Agreement in New York. Except as otherwise provided in this Agreement, all notices required or permitted to be given shall be in writing and shall be valid and sufficient if made by: a) registered or certified mail, postage prepaid in any post office in the United States, return receipt requested; b) hand delivery; c)

overnight courier prepaid; d) facsimile transmission upon confirmation of receipt; (e) posted to a website maintained by VAD, or (e) by e-mail (but only for administrative notices and not breach or termination notices). If to SubVAD, VAD shall address all written notices required under this Agreement to the individual whose signature appears on this Agreement at the principal place of business set forth in the acknowledgement page of this Agreement, unless such notice is sent via e-mail. If to VAD, SubVAD shall send all notices required under this Agreement to: **Ingram Micro, 3351 Michelson Drive, Irvine, CA 92612**: General Counsel. During the term, SubVAD shall not, directly or through a third party, solicit any employee of Verizon or VAD to work for or with SubVAD as an employee, agent, representative, subcontractor, or in any other similar capacity, without having first obtained the prior written approval of the non-soliciting party; Solicitation or hiring hereunder will not include general solicitations or hiring by either party through the use of advertisements in newspapers, trade publications, or the internet not directed at particular individuals. This Agreement, including the Procedural Guide, which is incorporated by this reference, states the entire understanding between the parties on this subject matter and supersedes any and all prior agreements and understandings regarding SubVAD's participation in the VAD Program. There are no other oral or written understandings or agreements between Verizon and VAD relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing herein shall be deemed to supersede or replace any existing confidentiality agreement between the parties or any sales terms and conditions governing the purchase or products by SubVAD from VAD.

EXHIBIT A
DEFINITIONS

This Exhibit A (“**DRP Attachment**”) together with the Agreement reflects the terms and conditions for SubVAD’s participation in the Verizon program known as Verizon Device Referral Program (“**DRP**”).

1. **Definitions.** The following capitalized terms are in addition to those defined in the Glossary of the Agreement and apply to the **DRP**:

Access means Verizon’s monthly access charge fees, including data plans and data features, billed to those Subscribers for which SubVAD requested Activation on Verizon Services.

Accessories means any device that does not have an Equipment ID and that attaches to, covers, pairs, or synchs with, a unit of Equipment, including, but not limited to, headsets (including Bluetooth-enabled), batteries, chargers or holsters.

Activation/Activates/Activated means the assignment by Verizon of a Number to a unit of Equipment in Verizon Wireless’ internal system and the Verizon Facilities to enable use of the Verizon Service. For purposes of Compensation, only the first Activation of a Subscriber is eligible for Compensation.

Authorized Verizon Products means those Verizon products and services listed herein or otherwise agreed in writing by VAD that SubVAD is authorized to offer, resell, market and distribute to End-User Customers pursuant to the parameters of such Sub-Program **Brand** means an independently marketed but affiliated wireless telecommunications service offering of a Carrier or Reseller, such as, but not limited to, Sprint/NEXTEL or TracFone/Net10.

CA Extensions has the meaning set forth in Section 3 c).

Carrier means an Entity (other than Verizon) licensed by the FCC to offer wireless telecommunications service through the use of licensed Facilities.

Change in Control means, with respect to a Party, a change in the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Party (including, without limitation, the power to appoint a majority of its Board of Directors) whether through the beneficial ownership of voting securities or other ownership interest, by contract or otherwise, and whether such change is voluntary or involuntary, or the result of any merger, tender offer, stock purchase, other stock acquisition, merger, consolidation, recapitalization, reverse split, or sale or transfer of assets, including without limitation any merger or consolidation transaction in which the shareholders of such Party own less than a majority of the issued and outstanding securities of the surviving entity immediately following such transaction.

Chargeback has the meaning set forth in Section 3 of this **DRP Attachment**.

Compensation means the compensation as set out in Section 3 of the Agreement, or any payment SubVAD receives pursuant to this **DRP Attachment**.

Confidential Information means the pricing and other terms and conditions of this Agreement, account information and any other business information of the disclosing Party disclosed either directly or indirectly, whether in oral form, or in written, graphic or electronic form, which is marked as confidential or proprietary or that would be reasonably understood to be confidential or proprietary, including, without limitation, firmware, source code, object code, software tools, designs, schematics, plans, formulas, know-how, Verizon equipment information, Customer Information, Subscriber Information, Subscriber and customer lists, markets, inventions, processes, technology or any other information relating to any research project, work in process, future development, scientific, engineering, manufacturing, marketing or business plans, or financial or personnel materials, products, future products, product plans, services, sales, training materials, the identity of or information concerning suppliers, employees or investors.

Customer Agreement (CA) means the agreement between Verizon and the Subscriber for Verizon Service.

Direct Channel means Verizon’s internal direct sales force including but not limited to corporate, business-to-business and government channels, the Direct Stores, the Verizon website, and Verizon telesales.

Direct Store(s) means the Verizon operated retail locations offering, selling, and marketing Verizon Service and Equipment.

Disconnects means or refers to Activations that have been de-activated.

End-User Customer means a commercial entity that is the purchaser or ultimate user of the Authorized Verizon Products and is not a (i) VAR, (ii) member of the Verizon Partner Program, or (iii) reseller.

Entity means a partnership, association, corporation or other organization, group, or subgroup.

Equipment means mobile or portable telephones and data communications devices, including, but not limited to, wireless modems/PC cards/express cards/data cards, embedded modules or chipsets, personal communications devices, and any other wireless or similar devices, used in conjunction with or in order to utilize Verizon Service or other Carriers' wireless telecommunications service, but excluding any Accessories.

Equipment ID means the unique serial number, such as an ESN, MEID (mobile equipment identifier) or similar term, assigned to a unit of Equipment.

Eligible Government Entities for the Device Referral Program shall mean only the United States government, its departments, agencies, instrumentalities and government corporations.

Facilities means the telecommunications switching equipment, cell site transceiver equipment, and other equipment maintained, expanded, modified or replaced by Verizon or a Carrier to provide wireless telecommunications service.

Marks means all decorative designs, insignia, logos, names, service marks, service names, symbols, trade dress, trademarks, trade names, or the like, whether registered or unregistered, which a Party or its Affiliates own or are licensed or sub-licensed to use.

MDN means the mobile directory number that is received from the North American Numbering Plan Administration ("NANPA") for the purpose of receiving calls from the PSTN. It is a telephone number ("NPA-NXX-XXXX") used to access wireless telecommunications service and is assigned to a unit of Equipment.

MIN means the mobile identification number, which is announced to Verizon or a Carrier for the purposes of providing wireless telecommunications service and processing calls on the Facilities of Verizon or a Carrier. A MIN is paired with an MDN for the purposes of receiving calls from the PSTN.

Number means the MIN and MDN used to provide access to the wireless telecommunications service.

Partner Business Manager (PBM) has the meaning set forth in Section 2 g).

Postpay Service(s) means Verizon Service for which (after Activation and on an ongoing basis) a Subscriber is billed and required to pay Access fees and, after using such Verizon Service, pay for such Usage.

PSTN means the Public Switched Telephone Network.

Qualifying Equipment has the meaning set forth in Section 2 e).

Quarter means any given consecutive three (3) month period based on the calendar year.

Referral has the meaning set forth in Section 2 d).

Subscriber means the ultimate end-user of Verizon telecommunications service provided by or through Verizon or its Affiliates.

Subscriber Information means all non-public information relating to a Subscriber's Verizon equipment and services, including, but not limited to, mobile device numbers, customer account information and telecommunications service usage information (including CPNI, which includes, without limitation, information that relates to the quantity, technical configuration, type, destination, location, and amount of use of telecommunications services a Subscriber has purchased from Verizon). "Non-public information" does not include the Subscriber's name, address and landline telephone number and other telephone numbers, provided that such other telephone numbers are not VZW mobile numbers. **State and Local Government Entity** means any state or local governmental or public sector department, agency, or bureau, including school districts, colleges and other institutions of higher education, or any Entity that is eligible to purchase either Federal or State and local plans, as determined by Verizon.

Tablet(s) means original equipment manufacturer ("OEM") -branded general purpose hand-held computers with a single panel form-factor and a customer interface primarily enabled by touch or stylus, with an embedded wireless module or chipset and antennae for access to and usage of the Verizon Service, and which meets the criteria for Activation on Verizon Service plans for Tablets within the sole discretion of Verizon, and as otherwise limited by the Agreement and the Device Referral Program.

Third Party Software means any software or application that accesses, interacts, or modifies how the Equipment accesses the Facilities, that is not developed and/or provided by the Qualifying Equipment manufacturer (and previously approved for use on Verizon Service) that Subscriber requests to be installed in a unit of Qualifying Equipment under this DRP Attachment.

Usage means home area billable airtime charges, including megabyte usage and data feature usage, (excluding roaming, landline, long distance and toll charges, taxes, surcharges, assessments and charges outside the specific price plan's home area) for those Subscribers Activated on Verizon Services as a result of a Referral in Verizon's licensed territories.

Verizon Agent means any Entity that Verizon has authorized to directly or indirectly market Verizon Service on its behalf.

Verizon Service(s) means the wireless service provided pursuant to licenses issued by the FCC pursuant to the FCC's rules, and all voice, data, and content services reasonably ancillary thereto offered by Verizon in its licensed territories.

2. Scope of the DRP

- i) Subject to and in accordance with all the terms and conditions of the Agreement and this DRP Attachment, VAD appoints SubVAD as a non-exclusive processor of Verizon Service Activation requests for Postpay Service for business customers on specified Qualified Equipment listed in the Schedule 1 attached to this DRP Attachment. State and Local Government Entities shall be ineligible for activation requests hereunder by SubVAD. All Activations shall be performed by Verizon. SubVAD shall maintain firewalls and confidentiality with respect to and between the Referrals hereunder and any such referrals it handles for any other telecommunications/wireless carrier(s) with which SubVAD does business. SubVAD shall also maintain firewalls and confidentiality with respect to and between the Referrals hereunder and any such referrals it handles for any other manufacturer(s) and/or any other manufacturers' distributors whose referrals it handles.
- ii) Neither SubVAD, nor any of its Affiliates, employees, agents, or subcontractors shall induce, influence, or suggest that any Subscriber of Verizon Services terminate Verizon Services and activate Service with any Carrier, Brand or Reseller. SubVAD acknowledges and agrees that these limitations and duties are reasonable, essential and shall survive for a period of two (2) years following the termination or expiration of this DRP Attachment or the Agreement or any extended term of the Agreement or this DRP Attachment, including month-to-month extensions.

2.1. No Exclusivity

- i) Verizon reserves the right to market Verizon Service to customers of SubVAD through the Direct Channel, including through the Direct Stores, Verizon Agents, Verizon Resellers, or otherwise on any terms it chooses.
- ii) Nothing herein or in the Agreement shall be deemed to restrict or prohibit Verizon, in its sole discretion, from offering to Subscribers and potential Subscribers (including but not limited to Verizon Service Activation requests hereunder), volume discounts, promotional offers, new or modified service plans, or any other special offers for Verizon Service, whether through the Direct Channel, Verizon Agents, or otherwise, and Verizon shall have no obligation to allow any Subscribers Activated pursuant to this DRP Attachment similar discounts, offers, or service plans.
- iii) Neither VAD nor Verizon shall be liable to SubVAD for any Compensation if any order for Verizon Service is obtained from any Subscriber or potential Subscriber, or any Equipment is Activated, by the Direct Channel or by any Verizon Agent or any other Entity in a contractual relationship with Verizon, including but not limited to any other processor of Verizon Service Activation requests, despite the prior solicitation of the prospective Subscriber or Subscriber placing the order by any Entity for which SubVAD has been engaged to process Activations.

2.2. No Delegations

- i) SubVAD may not delegate any of its rights and obligations under this DRP Attachment.
- ii) SubVAD shall not represent or promise that Subscribers or potential Subscribers shall be charged for Verizon Service at any rates other than those established by Verizon for which Subscriber is eligible in Verizon's sole discretion. SubVAD's communication of Verizon Service rates and plans shall be strictly limited to the provision of Verizon-approved materials to the VARs for dissemination to Subscribers/potential Subscribers, and SubVAD shall obligate the VARs to strictly limit communication with Subscribers/potential Subscribers concerning Verizon Services, rates and any other matters concerning Verizon to such Verizon-provided materials. SubVAD shall not impose any type of fees for Verizon Service on a Subscriber (including, but not limited to, deposits on credit cards, Activation fees, early disconnect, chargeback, or similar fees), via separate contract or otherwise, other than those provided for by Verizon as part of the Activation or business processes and procedures as communicated to SubVAD in writing.
- iii) SubVAD shall advise all its employees, principals, and officers with any responsibility in connection with the Agreement of the obligations set forth in this Section 2.

- iv) Neither SubVAD, nor any of its Affiliates, employees, VARs or agents, shall have any authority to bind Verizon directly or indirectly, to make any express or implied agreements, guarantees, or representations, or incur any indebtedness or obligations except as expressly set forth in the Agreement and this DRP Attachment.
- v) SubVAD acknowledges that neither VAD nor Verizon has any obligation, express or implied, to pay SubVAD the same rate(s) of Compensation, or to make available to SubVAD any contract provision or term that is the same or comparable to such Verizon offers to any other distribution channel or member of such distribution channel.

2.3. Duties and Responsibilities of Parties

2.3.1. SubVAD Obligations. The duties of SubVAD include, but are not limited to the following:

2.3.1.1. Register Verizon Service Activation requests with Verizon/VAD for approval or rejection. Each Verizon Service Activation request will be initiated by SubVAD's submission of a fully-completed Opportunity Registration Form ("ORF"). Each opportunity that is the subject of an ORF submitted by SubVAD shall be a "Referral." Each ORF shall be subject to review and acceptance by Verizon and VAD in its absolute discretion. The Verizon PBM and Verizon will review the ORFs as needed and approve or reject Referrals.

2.3.1.2. Approved Referrals shall be submitted by VAD into the Partner Management Portal (PRM).

Provide any Verizon-requested information, including but not limited to device MEID or ESN, and provide to Verizon/VAD as directed.

2.3.2. In addition to the requirements in Section 5f) Metrics of the Agreement, SubVAD will provide VAD a report as required by VAD of the Subscribers and associated MEIDs that have been distributed.

2.3.2.1. Potential Subscribers may be drawn from all eligible potential users as defined in this DRP Attachment, which excludes State and Local Government Entities. Verizon has the right, in its sole discretion, to reject the Activation of any potential Subscriber.

2.3.2.2. SubVAD shall comply with all Verizon/VAD procedures and practices for the Activation requests and Referrals, all of which are subject to change upon written notice. In the event of subscription fraud that Verizon/VAD determines is the result of SubVAD's actions, in addition to all other remedies available to Verizon/VAD under this DRP Attachment, Verizon/VAD shall assess SubVAD for all charges incurred by such Subscriber, including, but not limited to, airtime charges, access charges, downloads, SMS, long distance charges, and Activation fees, which amounts may be offset from Compensation or for which SubVAD will be obligated to reimburse Ingram in the event that Compensation otherwise due SubVAD is not sufficient for full offset.

2.3.3. Telemarketing and E-mail Solicitations. SubVAD shall not engage in any Telemarketing or e-mail solicitations to Subscribers or prospective Subscribers, including business customers, for Verizon Service Activations.

2.3.4. No service performed by SubVAD (or its approved VAR) pursuant to this Agreement shall be provided, directed, controlled, accessed, supervised, or managed, and no Subscriber Information relating to any such service shall be stored, accessed or transmitted, at, in, or through a site located outside of the United States without the advance written consent of Verizon. SubVAD further represents, warrants and covenants that it will not use, or allow the use, outside of the United States of any user identifications and passwords assigned to it for access to the Subscriber Information

2.4. Equipment

2.4.1. Qualifying Equipment. SubVAD may submit referrals only for Equipment listed on Schedule 1 ("Qualifying Equipment") which is purchased or otherwise acquired from the manufacturer of such Equipment by SubVAD or from VAD or other agreed suppliers and sold to end-users. No Compensation will be paid on equipment which is included in the following categories: Equipment ordered and purchased by a Subscriber from Verizon or Verizon Enterprise Sales ("VES"), or Equipment purchased from Verizon for resale to customers. The Parties agree that compensable Qualifying Equipment Activations under this DRP Attachment shall be strictly limited only to Qualifying Equipment purchased by end-users from SubVAD. The foregoing limitation shall apply for Compensation purposes, whether or not an ORF is submitted with non-qualifying Equipment or mixed Qualifying Equipment and non-qualifying Equipment; in any such event, only Activations of Qualifying Equipment shall be eligible for Compensation to SubVAD, and not Activations of any non-qualifying Equipment.

2.4.2. All Equipment for which Activation is requested by SubVAD pursuant to this DRP Attachment, and which shall be eligible for Compensation, shall be devices that have been certified for operation on the Verizon network and shall comply with all applicable laws and regulations, be approved by Verizon for use with the Verizon Service and otherwise comply with the following requirements:

2.4.2.1. The Equipment must be Verizon Service accessible, have a Type Acceptance Certificate from the FCC, pursuant to Part 22 of Title 47 of the United States Code of Federal Regulations, be Authenticatable, be CTIA certified, and comply with all CTIA guidelines for RF emissions and specific absorption rate ("SAR") level disclosure.

2.4.2.2. All Products Activated on the Facilities by SubVAD shall be E-911 Compliant. Currently, Equipment that is confirmed by Verizon as data only and not voice capable is not required to be E911 Compliant.

Verizon and VAD shall not be responsible, and hereby disclaim responsibility to provide on a direct or indirect basis, installation, maintenance, and warranty service for the Equipment.

2.4.3. Verizon shall have no responsibility to SubVAD or Subscribers with respect to any Equipment sales and/or leases, which shall be made by or on behalf of SubVAD for its own/their account and not as agent for, or for the account of, Verizon. Neither shall Verizon have any responsibility to SubVAD or Subscribers with respect to the sale, lease, installation, warranty service, and maintenance of Equipment or any Third Party Software, for which Subscribers shall be customers of SubVAD or its VARs.

2.4.4. VERIZON SHALL HAVE NO CONTROL OVER RETAIL SALES PRICES, ADVERTISED PRICES, LEASE CHARGES OR FEES FOR EQUIPMENT OR ANY THIRD PARTY SOFTWARE, WHICH SHALL BE UNILATERALLY ESTABLISHED BY SUBVAD.

2.4.5. If a distributor (including a VAR), has been certified by the manufacturer of Equipment and Third Party Software suppliers to sell the Third Party Software on Verizon-approved Equipment, no additional certification, approval or testing is required by Verizon for sale of the Third Party Software on that Equipment. Any device with a Verizon Facilities-aware application, including Third Party Software, must successfully complete Verizon evaluation and be approved by Verizon before it can be installed and sold under this DRP Attachment. Approval by Verizon of Third Party Software for a particular model of Equipment is not transferable and such software shall not be installed or used with a different model of Equipment. Upon inquiry of SubVAD, Verizon shall advise SubVAD of any Third Party Software that is already approved or tested for a particular model(s) of Equipment. Standard Verizon Equipment and software certification/testing procedures shall be followed for non-certified devices and software. Verizon makes no warranty or representation, either express or implied, concerning the Third Party Software or Hardware that is certified, and it expressly disclaims all warranties, express or implied, including warranties of merchantability or fitness for a particular use or purpose.

Verizon may periodically update Schedule 1 (Qualifying Equipment) attached hereto and such update shall not be considered a modification of the DRP and shall not require an amendment to be signed by the Parties, but does require the initials of the Verizon PBM in order to be valid.

Device Referral Program (DRP) – Compensation

Ingram Micro will provide Referral Fee Charts separately. Ingram Micro may modify the Referral Fee amounts or programs with immediate effect upon written notice to SubVAD.

VAD shall pay to SubVAD Compensation ("Referral Fees") provided that SubVAD is in full compliance with the Agreement and Verizon's process requirements for submission of Activation requests, and the Activation request results in an Activation accepted by Verizon. SubVAD shall be paid a one-time Referral Fee for each Verizon Service plan Activated by Verizon for a Referral that becomes a Subscriber. Notwithstanding the foregoing, SubVAD may be ineligible to earn Compensation on any Activation that is:

- i) requested for its own use, the use of the VARs, or the use of any other reseller;
- ii) the result of leads provided by Verizon or VAD to SubVAD;
- iii) on Equipment that was not sold by SubVAD to the end-user;
- iv) requested for State and Local Government Entities.

b) SubVAD acknowledges and accepts that Verizon or VAD may add, delete, or modify any Verizon Service plans and the Compensation paid for such Verizon Service plans, and in the event that Verizon offers a new Verizon Service plan, Verizon may establish the Compensation paid for such new Verizon Service plan(s).

c) Existing Verizon-Subscriber Relationships.

- i) If a Referral is already a Verizon Subscriber, SubVAD shall only earn Referral Fees if Verizon Activates additional lines of Verizon Service with such Subscriber as a result of the SubVAD's Referral and Activation request. Compensation will only be paid on the new activations resulting from the Referral.
- ii) Notwithstanding any provision to the contrary herein, VAD shall pay Compensation ("Referral Fees") to SubVAD for Activations that were the subject of a Referral by SubVAD to extend a Customer Agreement (CA) for either one (1) year or two (2) years (a "CA Extension"). Referral Fees shall be payable for CA Extensions regardless of whether: (a) the

Subscriber was originally Activated by SubVAD; (b) the Subscriber keeps his existing price plan or changes to a different price plan; or (c) the Subscriber previously used the account for the transmission of data or solely for voice calls; provided, however, that the following requirements are met:

- (1) Not more than two (2) months remain before the scheduled expiration of the Subscriber's existing one (1) year CA or not more than four (4) months remain before the scheduled expiration of the Subscriber's existing two (2) year CA or such contract has expired (or has become a month-to-month agreement);
- (2) The new CA (or the CA Extension) must be for a period that satisfies the requirements of the selected price plan.

For the avoidance of doubt, the Parties specifically acknowledge and agree that based on the provisions above: (a) no Compensation shall be payable to SubVAD with respect to a Subscriber who buys a product from SubVAD and uses an existing Number to transmit data via such product without renewing his CA, and (b) no CA Extension or any other Compensation shall be payable to SubVAD with respect to a Subscriber's renewal of his CA through a Referral by SubVAD if such agreement has more than two (2) months remaining before its scheduled expiration for a one (1) year agreement, or more than four (4) months remaining before its scheduled expiration for a two (2) year agreement.

d) Calculation and Payment. VAD will calculate and pay the Referral Fees to SubVAD on a monthly basis, within sixty (60) days from the end of the applicable calendar month. Payments shall be paid via check or other mechanism decided by VAD to an address specified by SubVAD in writing. VAD will provide SubVAD with a report showing the calculation of Referral Fees to correspond with each Verizon Service Activation for all Referrals that become Subscribers, that set forth, in reasonable detail, the manner in which the amount payable was calculated. No Referral Fees will be paid to SubVAD until SubVAD has completed, signed and submitted to VAD Form W-9 to be supplied by VAD. SubVAD shall dispute any Compensation in writing within fifteen (15) days of the issuance of such Compensation, and shall include all documentation in support of its position with a detailed explanation. If SubVAD does not submit a Compensation dispute that complies with this section, SubVAD has forfeited all rights to dispute such Compensation.

e) Chargeback/Set-off. In the event a Subscriber Disconnects Verizon Service for any reason prior to completing a full one hundred eighty (180) days of Verizon Service or such longer period as established by Verizon, VAD is not obligated to pay Compensation to SubVAD for that Subscriber. If VAD has already paid SubVAD for any such Activation, VAD will chargeback to SubVAD, or set-off and deduct from any unpaid Compensation all Referral Fees paid to SubVAD for that Subscriber ("Chargeback"). In addition, VAD reserves the right not to pay a Referral Fee, or to Chargeback any Referral Fee if already paid, for any Activation requested where any of the following occurs:

- i) the Subscriber's physical business or residential address is outside the area in which Verizon is licensed to do business, unless SubVAD received prior written approval from Verizon, which may be withdrawn at its sole discretion;
- ii) the line of service Activated is outside of Verizon's licensed territories, unless SubVAD received prior written approval from Verizon, which may be withdrawn at its sole discretion;
- iii) an existing Subscriber switches service numbers with no net Verizon Service Activation gains within one hundred eighty (180) days; examples include, but are not limited to:
 - (1) a Subscriber canceling one line of service and Activating another line of service within one hundred eighty (180) days; or
 - (2) an existing Subscriber canceling a line of service with Verizon and a person/business with the same billing address Activates a line of service within one hundred eighty (180) days;
- iv) the Activation results from the assignment of an existing Number to another responsible party.

f) In the event that for any reason, including error, VAD pays SubVAD a Referral Fee that VAD was not obligated to pay under this DRP Attachment, VAD shall have the right to set-off and deduct from any unpaid Compensation then or in the future owed to SubVAD the full amount of the Referral Fees that Verizon was not obligated to pay.

g) Following any expiration or termination of the Agreement or this DRP Attachment, if VAD has not been able to set-off and deduct any amounts that VAD was not obligated to pay or contribute or any Chargebacks that VAD was entitled to take pursuant to this provision, SubVAD shall pay such amounts (or the amount of such Chargebacks) to VAD within ten (10) days following SubVAD's receipt of written notice thereof.

h) If a Subscriber migrates between price plans for any reason within one hundred eighty (180) days of the Subscriber's Activation date, and these price plans pay different Compensation amounts, VAD may increase or decrease, as applicable, the Compensation paid to the SubVAD to reflect the difference between the Compensation payout of the respective price plans.

i) If the Agreement or this DRP Attachment expires or is terminated for any reason, VAD may withhold payment of Compensation then due for two hundred (200) days or until all matters relating to the expiration or termination of this DRP

Attachment, including, but not limited to the outcome of any fraud investigations, the resolution of any arbitration or any other disputes between the Parties, and matters under any other agreement between the Parties, are settled, whichever is longer.

SCHEDULE 1

EXHIBIT B
INSURANCE

- 1.1. SubVAD shall at all times, at SubVAD's sole expense, maintain: (a) Commercial General Liability Insurance against Claims for bodily and personal/advertising injury, property damage, products liability, independent contractors, and completed operations. Such insurance coverage shall be maintained under one or more policies of insurance from an insurance SubVAD with an A.M. Best rating of no less than A- and qualified to do business within the United States, providing a minimum liability protection of Two Million U.S. dollars (\$2,000,000) per occurrence; (b) Workers' Compensation insurance as required by applicable law, regulation or statute; (c) Employers' Liability insurance with limits of not less than One Million U.S. dollars (\$1,000,000) per occurrence, (d) Automobile Liability Insurance with a minimum liability protection of Two Million U.S. Dollars (\$2,000,000) per occurrence, (e) professional liability ("Errors and Omissions") insurance with a minimum limit of Two million U.S. dollars (\$2,000,000) per occurrence for related services; and (f) such other insurance/bonds as the parties may mutually agree in writing from time to time.
- 1.2. Limits may be satisfied through a combination of primary and/or excess umbrella coverage.
- 1.3. SubVAD shall name Verizon Communications Inc., VAD and their respective Affiliates as an additional insured on all general liability policies and Errors and Omissions policies of insurance. For the Errors and Omissions coverage the "insured vs. insured" exclusion will be modified accordingly to allow Verizon additional insured status without prejudicing Verizon's rights under the policy.
- 1.4. SubVAD's insurance shall be primary without contribution from Verizon or VAD coverage and shall include a waiver of subrogation in favor of Verizon and VAD for Worker's Compensation. The insurer shall provide thirty (30) days prior written notification to VAD of cancellation, and SubVAD shall notify VAD of any reduction in the limits of any such policy that would reduce coverage below the limits required herein.
- 1.5. SubVAD shall furnish VAD with certificate(s) of insurance evidencing such insurance as required herein with each policy renewal, and upon reasonable request thereafter, as VAD deems necessary.

SubVAD hereby agrees to the terms and conditions contained in the preceding Sub-Distributor Agreement (the "Agreement"). SubVAD agrees that any changes made by or on behalf of SubVAD to the Agreement, whether or not authorized by a VAD representative, automatically renders the Agreement null and void.