

Dana Frix  
direct tel (202) 974-5691  
dfrix@chadbourne.com

September 4, 2007

**Via Electronic Mail (E-Filing)**

Doc. No. 255380

Honorable Eddie Roberson, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

filed electronically in docket office on 09/05/07

Docket No. 07-00204

***Re: Joint Petition of Verizon Communications Inc., MCI Communications Services, Inc. d/b/a Verizon Business Services, Verizon Services Corporation, and GoAmerica Relay Services Corp. for Expedited Approval of the Assignment of the Contract to Provide Relay Services from Verizon Services Corporation to GRSC, for GRSC to Utilize Stellar Nordia Services, LLC as a Subcontractor in the Performance of the Contract, and for the Transfer of Related Assets from Verizon Business Services to GRSC***

Dear Chairman Roberson:

Enclosed please find one (1) PDF copy of the Joint Petition in the above-referenced matter. One (1) original and four (4) hard copies, together with a check in the amount of \$75.00, will promptly follow this electronic filing via FedEx overnight delivery. Verification statements from officers of the Verizon companies, Verizon's signed Joint Petition signature page, and an original copy of the notarized signature page from the Affidavit of Mark L. Stern will be provided at a later date.

We will also enclose an additional copy of the Joint Petition with the subsequent hard copy submission. Please time- and date-stamp the extra copy and return it in the self-addressed, stamped envelope provided. Thank you very much.

Very truly yours,



Dana Frix

Enclosures

cc: Mr. Dan Luis  
Mr. Mark Stern  
Dulaney O'Roark, Esq.  
Robert Davis, Esq.  
Melvin Malone, Esq.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

In Re: Joint Petition of	)	
	)	
Verizon Communications Inc.,	)	
MCI Communications Services, Inc. d/b/a	)	
Verizon Business Services and Verizon Services	)	
Corporation	)	
	)	
and	)	Docket No. _____
	)	
GoAmerica Relay Services Corp.	)	
	)	
For Expedited Approval of the Assignment of	)	
the Contract to Provide Relay Services	)	
From Verizon Services Corporation to GRSC, for	)	
GRSC to Utilize Stellar Nordia Services, LLC as a	)	
Subcontractor in the Performance of the Contract,	)	
and for the Transfer of Related Assets from	)	
Verizon Business Services to GRSC	)	

**JOINT PETITION FOR EXPEDITED APPROVAL**

Verizon Communications Inc., on behalf of its subsidiaries MCI Communications Services, Inc. d/b/a Verizon Business Services ("Verizon Business") and Verizon Services Corporation ("VSC") (collectively, "Verizon"), and GoAmerica Relay Services Corp. ("GRSC") (together, the "Petitioners"), through their undersigned counsel and pursuant to T.C.A. § 65-4-112 and TRA Procedural Rule 1220-1-1.08, hereby request that the Tennessee Regulatory Authority (the "Authority") grant them such authority as may be necessary or required to permit the consummation of a transaction involving (1) the assignment of the contract by and between the State of Tennessee, the Authority and VSC (the "TRS Contract") for the provision of telecommunications relay services ("TRS") from VSC to GRSC, (2) for GRSC to utilize Stellar Nordia Services, LLC ("Stellar") as a subcontractor in the performance of the Contract, and (3) the transfer of related assets to GRSC. Verizon requests that the Authority grant such

approvals by September 30, 2007 in order to allow timely consummation of the transaction. For convenience, the TRS Contract is attached hereto as Joint Petition Exhibit A.

Verizon currently provides TRS services to consumers throughout the United States. In Tennessee, Verizon's TRS business is owned and operated by Verizon Business, while VSC is responsible for establishing and maintaining the TRS Contract. Verizon has decided to discontinue such service in Tennessee and in all other markets throughout the United States, and to transfer its nationwide TRS business, including the TRS Contract, to GRSC. This transaction will benefit Tennessee consumers because GRSC, in concert with its parent company, GoAmerica, Inc. ("GoAmerica"), focuses exclusively on providing communications solutions to deaf, hard-of-hearing and speech-disabled consumers. As a leading provider of interstate relay services, certified by the Federal Communications Commission, GoAmerica has substantial industry expertise needed to operate the TRS business in a way that will best serve all stakeholders, including, most importantly, Tennessee's deaf, hard-of-hearing and speech-disabled consumers. At the same time, the proposed transaction will enable Verizon to focus on its core broadband, IP and integrated communications services in large and growing markets. Following the transaction, Verizon will no longer operate the TRS business nor provide TRS services, but will continue to provide non-TRS interstate, intrastate, and local telecommunications services in Tennessee.

Petitioners specifically request approval of the assignment of the TRS Contract pursuant to Section D.5 thereof, which provides as follows:

D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest" and "Nondiscrimination" (sections D.6. and

D.7.). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

Further details concerning the benefits of the transaction are set forth below.

## **I. DESCRIPTION OF THE PARTIES**

Verizon Communications Inc. is a corporation created and existing under the laws of the State of Delaware, with its principal office located at 140 West Street, New York, New York 10007. Through various operating subsidiaries, including Verizon Business and VSC, Verizon Communications Inc. provides international and domestic interstate, intrastate and local telecommunications services. Additional information about Verizon Communications Inc. is available at [www.verizon.com](http://www.verizon.com).

GRSC is a recently created, wholly-owned subsidiary of GoAmerica, organized and existing under the laws of the State of Delaware. GoAmerica is also a corporation created and existing under the laws of the State of Delaware, with its principal office located at 433 Hackensack Avenue, Hackensack, New Jersey 07601. GoAmerica is publicly traded on the NASDAQ national market system (under the symbol "GOAM"). It provides a wide range of wireless and interstate telecommunications relay services to people who are deaf, hard of hearing, or speech-disabled. Contemporaneously with this Petition, GRSC will be filing an application with the Authority (the "Certification Application") seeking authority to provide TRS within the State of Tennessee. Information regarding GRSC is found in the Certification Application, and in the Affidavit of Mark L. Stern, which is attached hereto as Joint Petition Exhibit B. Additional information concerning GoAmerica is also available at [www.goamerica.com](http://www.goamerica.com).

## **II. CONTACT INFORMATION**

Correspondence concerning this Petition may be directed to:

### Verizon:

Dulaney L. O'Roark III  
Verizon  
5055 North Point Parkway  
Alpharetta, GA 30022  
Phone: (678) 259-1449  
Facsimile: (678) 259-1589  
Email: de.oroark@verizon.com

Melvin J. Malone  
Miller & Martin, PLLC  
Suite 1200  
One Nashville Place  
150 Fourth Avenue North  
Nashville, TN 37219  
Phone: (615) 744-8572  
Facsimile: (615) 256-8197  
Email: mmalone@millermartin.com

### GRSC:

Mark L. Stern  
TRS Compliance Officer  
GoAmerica Relay Services Corp.  
433 Hackensack Avenue, 3rd Floor  
Hackensack, NJ 07601  
Phone: (201) 996-1717  
Facsimile: (201) 996-1772  
Email: mstern@goamerica.com

Dana Frix  
Chadbourn & Parke LLP  
1200 New Hampshire Avenue NW  
Suite 300  
Washington, DC 20036  
Phone: (202) 974-5691  
Facsimile: (202) 974-5602  
Email: dfrix@chadbourn.com

## **III. DESCRIPTION OF THE TRANSACTION**

On August 1, 2007, Verizon Business entered into an Asset Purchase Agreement (the "Agreement") with GRSC (then known as Acquisition 1 Corp.), whereby Verizon Business agreed to sell, and GRSC to buy, certain assets of Verizon Business related to the TRS business. A copy of the Agreement, without exhibits or schedules (which contain competitively sensitive information), is attached hereto as Joint Petition Exhibit C. In Tennessee, the TRS assets related to the Agreement include the TRS Contract and the Tennessee Telereley Call Center located at 1725 N. Shelby Oaks Drive, Memphis, Tennessee 38134. Verizon is also selling certain equipment and information technology necessary for the provision of TRS services by GRSC. The Agreement provides that GRSC will assume all of VSC's obligations as Contractor under the

TRS Contract, including without limitation Sections D.6 and D.7 of the TRS Contract pertaining to "Conflicts of Interest" and "Nondiscrimination," respectively. Following the sale, Tennessee consumers will still have access to TRS services, which would be provided by GRSC from the point of consummation of the transaction going forward.

GRSC has subcontracted to utilize Stellar, a world-class provider of customer relationship management and TRS services, as the call center operator of the Tennessee Telerelay Call Center. Stellar was formed in 1999 and currently has 2,200 agents and managers in multiple contact centers that handle close to 100 million contacts per year. Stellar has been successfully serving as a call center contractor for GoAmerica's interstate relay services since 2005, and has been providing its own TRS services to California since late 2004 pursuant to a contract with the State of California similar in nature to the TRS Contract. Further information concerning Stellar may be found at [www.nordia.ca](http://www.nordia.ca).

Under the Agreement, Verizon's Tennessee employees who are employed in the TRS business will be offered similar employment by either GRSC or Stellar beginning on the transaction's closing date, with equivalent compensation and comparable benefits as currently offered by Verizon. Because the institutional expertise and equipment of Verizon's TRS service business will be transferred to GRSC (and, by extension, will be used by Stellar), the transaction will be smooth and transparent to Tennessee TRS customers.

The closing of the transaction is expected to take place after all regulatory approvals have been received and other pertinent closing conditions have been satisfied. To avoid a protracted pre-closing period and to aid in ensuring a seamless transition, the parties request that Authority grant its approval by September 30, 2007.

#### **IV. THE TRANSACTION IS IN THE PUBLIC INTEREST**

This transaction will benefit Tennessee consumers, particularly consumers in the deaf, hard-of-hearing and speech-disabled communities. As part of the transaction, Verizon Business has agreed to provide transitional services to GRSC, and, as already noted, GRSC will be acquiring (and Stellar will have access to) the assets and institutional expertise of Verizon's TRS business, which should result in a smooth transition that is transparent to Tennessee TRS customers. GoAmerica's extensive experience in providing interstate relay services and its exclusive focus on providing communications services to deaf, hard-of-hearing and speech-disabled consumers will be a tremendous resource for GRSC, enabling GRSC to sustain and improve upon the excellent TRS service now being provided in Tennessee. This transaction will therefore benefit Tennessee consumers because GRSC, in concert with GoAmerica, will be devoted solely to the provision of communications solutions to TRS consumers. Likewise, Stellar's depth of experience in delivering TRS call center services will ensure that consumers continue to receive high quality TRS services.

#### **V. THIS PETITION SHOULD BE CONSIDERED ON AN EXPEDITED BASIS**

The public interest will be best served by the expeditious approval of this Petition. Approval of the transfer of the telerelay assets will simplify Verizon's business and allow it to focus on its core business while enabling GRSC to apply its interstate relay service experience and expertise to the provision of Tennessee TRS service. Further, an expedited approval will ensure certainty of the closure of the transaction and facilitate a smooth transition between Verizon and GRSC.

## **VI. CONCLUSION**

For the reasons set forth herein, the Authority should conclude that the public interest, convenience and necessity would be furthered by this transaction. Therefore, the Petitioners respectfully request that the Authority act as expeditiously as possible to (1) approve the assignment of the TRS Contract from VSC to GRSC, (2) approve for GRSC to utilize Stellar as a subcontractor in the performance of the Contract, (3) approve the transfer of related assets to GRSC, and (4) grant all other relief as is necessary and appropriate to effectuate the transaction.

*[Remainder of page intentionally left blank - signatures on following page]*



DATED: September \_\_, 2007.

Respectfully submitted,

Verizon Communications Inc., on behalf of  
MCI Communications Services, Inc. d/b/a  
Verizon Business Services and Verizon  
Services Corporation

GoAmerica Relay Services Corp.

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

Dulaney L. O'Roark III  
Verizon  
5055 North Point Parkway  
Alpharetta, GA 30022  
Phone: (678) 259-1449  
Facsimile: (678) 259-1589  
Email: de.oroark@verizon.com

Melvin J. Malone  
Miller & Martin, PLLC  
Suite 1200  
One Nashville Place  
150 Fourth Avenue North  
Nashville, TN 37219  
Phone: (615) 744-8572  
Facsimile: (615) 256-8197  
Email: mmalone@millermartin.com

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

Mark L. Stern  
TRS Compliance Officer  
GoAmerica Relay Services Corp.  
433 Hackensack Avenue, 3rd Floor  
Hackensack, NJ 07601  
Phone: (201) 996-1717  
Facsimile: (201) 996-1772  
Email: mstern@goamerica.com

Dana Frix  
Chadbourne & Parke LLP  
1200 New Hampshire Avenue NW  
Suite 300  
Washington, DC 20036  
Phone: (202) 974-5691  
Facsimile: (202) 974-5602  
Email: dfrix@chadbourne.com

DATED: September 4, 2007.

Respectfully submitted,

Verizon Communications Inc., on behalf of  
MCI Communications Services, Inc. d/b/a  
Verizon Business Services and Verizon  
Services Corporation

GoAmerica Relay Services Corp.

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

Dulaney L. O'Roark III  
Verizon  
5055 North Point Parkway  
Alpharetta, GA 30022  
Phone: (678) 259-1449  
Facsimile: (678) 259-1589  
Email: de.oroark@verizon.com

Melvin J. Malone  
Miller & Martin, PLLC  
Suite 1200  
One Nashville Place  
150 Fourth Avenue North  
Nashville, TN 37219  
Phone: (615) 744-8572  
Facsimile: (615) 256-8197  
Email: mmalone@millermartin.com

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

*Mark L. Stern*  
Mark L. Stern  
TRS Compliance Officer  
GoAmerica Relay Services Corp.  
433 Hackensack Avenue, 3rd Floor  
Hackensack, NJ 07601  
Phone: (201) 996-1717  
Facsimile: (201) 996-1772  
Email: mstern@goamerica.com

Dana Frix  
Chadbourne & Parke LLP  
1200 New Hampshire Avenue NW  
Suite 300  
Washington, DC 20036  
Phone: (202) 974-5691  
Facsimile: (202) 974-5602  
Email: dfrix@chadbourne.com

**VERIFICATION**

I, Mark L. Stern, state that I am the TRS Compliance Officer of GoAmerica Relay Services Corp. ("GRSC"), Petitioner in the foregoing Petition; that I am authorized to make this Verification on behalf of GRSC; and that the statements in the foregoing Petition relating to GRSC are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 4<sup>th</sup> day of September, 2007, at Hackensack, NJ.

By: Mark L. Stern  
Mark L. Stern  
GRSC TRS Compliance Officer

**List of Joint Petition Exhibits**

Joint Petition Exhibit A:	TRS Contract
Joint Petition Exhibit B:	Affidavit of Mark L. Stern
Joint Petition Exhibit C:	Asset Purchase Agreement

## **Joint Petition Exhibit A: TRS Contract**

ORIGINAL

**CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
TENNESSEE REGULATORY AUTHORITY  
AND  
VERIZON SERVICES CORPORATION**

This Contract, by and between the State of Tennessee, TENNESSEE REGULATORY AUTHORITY, hereinafter referred to as the "State" and Verizon Services Corporation, hereinafter referred to as the "Contractor," is for the provision of a Tennessee Relay Services Operation Administrator, to manage a service for use by individuals who cannot access telecommunication by traditional methods and of which Relay is the most efficient technology for their use, as further defined in the "SCOPE OF SERVICES."

The Contractor is A FOR-PROFIT CORPORATION

The Contractor's address is:

Verizon Relay Services  
22001 Loudon County Parkway  
Ashburn, VA 20147  
(703) 886-1419 Telephone  
(703) 886-0682 Fax

The Contractor's place of incorporation or organization is Delaware.

**A. SCOPE OF SERVICES:**

**A.1.1 Intrastate and Interstate calling.**

The Tennessee Relay Service (TRS) has been established to provide access for the communicatively disabled to the intrastate telecommunications network which is functionally equivalent to that enjoyed by individuals who are not disabled. The communicatively disabled caller had, until the establishment of the TRS, been restricted to communicating over the telephone network with only those individuals who had specialized equipment such as TDDs, TTYs or personal computers. TRS provides telecommunication access to and from the communicatively disabled without the need for the non-disabled to utilize anything other than a telephone.

To access the TRS, 711 abbreviated dialing, in addition to one or more toll-free numbers, shall be provided. These toll-free numbers shall be universally available and shall be uniform throughout the state.

TRS in Tennessee is designed to only accept calls that originate from or terminate at Telecommunication Devices for the Deaf (TDD), Teletypes (TTY), Personal Computers (PC), or any other automated equipment used to facilitate telecommunications service for the communicatively disabled. Such calls shall both originate and terminate within the state. The TRS shall be capable of accepting calls placed across a state line which, if the relay center were not utilized, would be considered local intrastate calls. Individuals with communication disabilities subscribing to Tennessee intrastate service should be able to call or be called by any business or residence that has standard telephone service in Tennessee.

The intrastate relay system will not be required to provide interstate calling. However, the intrastate TRS must be capable of accommodating any interstate TRS that may be authorized or funded through the federal jurisdiction. If the Contractor elects to provide interstate relay calls, these calls must be accounted for separately from intrastate calls and shall not be billed pursuant to any contract.

**A.1.2 Voice and Hearing Carry-Over.**

The TRS must accept calls from a voice-capable caller who is hearing-disabled and permit this caller to speak his or her own message directly to a call recipient who is hearing capable without such transmission being processed by the relay Communications Assistant (CA). Similarly, the TRS must accept calls from a hearing capable caller who is speech-disabled and permit this caller to receive the transmission directly from the other party without any intervention from the CA. These services are known as voice carryover (VCO) and hearing carryover (HCO), respectively.

**A.1.3 Speech-to-Speech Relay.**

The TRS shall provide speech-to-speech (STS) relay services for those callers who are speech-disabled. STS calls must be handled by a relay CA who has been specially trained to understand the speech patterns of callers with speech disabilities and can communicate the caller's message.

**A.1.4 Spanish and Other Non-English Relay.**

The TRS shall provide intrastate and interstate Spanish Relay Services. The TRS shall also provide other non-English relay services as directed by the State or based on changes in the State's demographics which warrants the availability of such service.

**A.1.5 Directory Assistance Calls.**

The TRS will provide directory assistance without charge, unless otherwise ordered by the State.

**A.1.6 Emergency Calls.**

The TRS shall accept emergency calls and shall be capable of switching such calls to local emergency numbers although this service will not be recommended or promoted as a replacement of the dialing of local emergency numbers (E-911) which are equipped to handle TDD calls. Relay center callers should be discouraged from utilizing the Tennessee relay system as an emergency response service.

The TRS, when handling incoming calls made to E-911, must have a system that would automatically and immediately transfer the caller to the nearest Public Safety Answering Point (PSAP). If the caller disconnects before being connected to E-911 services, the CA handling the call must orally provide the telephone number of the caller to E-911 officials.

**A.2 Access to Relay Center.**

Access to the TRS through the abbreviated dialing of 711 shall be provided. In addition to the provision of 711, one or more toll-free numbers shall be provided. 711 abbreviated dialing shall not replace emergency 911. The toll-free numbers shall be universally available and shall be uniform throughout the state.

While the Contractor is not restricted to utilizing only one toll-free number for the relay center, the Contractor will utilize the least amount of numbers as possible for access to the center to eliminate confusion and to promote easy and frequent utilization of the center.

**A.3 Relay Call Limitations.**

The TRS will be capable of handling any call normally provided by common carriers. Only those calls that are incapable of relay due to lack of existing technology are exempt for handling by the TRS. However, where possible, the Contractor must establish a future handling date to provide relay for such calls when technology becomes available.

**A.4 Special Calling Service.**

The TRS shall provide its users with conference and three-way calling and other custom calling features as they become available in this state and to the extent technically feasible. Charges assessed to such TRS users shall not exceed the charges assessed by the dominant exchange company serving the exchange from which the call is being placed. Additionally, charges for ancillary services not traditionally provided by the local exchange company, must not exceed the rates assessed to those persons without communication disabilities.

**A.5 TRS Technical Service Standards.**

- A.5.1 The TRS shall provide relay service for all exchanges 24 hours a day, every day, including holidays.
- A.5.2 There shall be no restrictions on duration or number of calls placed by callers through the relay center.
- A.5.3 The TRS shall be able to accept calls from all FCC type approved customer premise equipment (CPE) which uses either ASCII or BAUDOT formats.
- A.5.4 Transmission circuits shall meet or exceed interexchange performance standards for circuit loss and noise.
- A.5.5 The TRS shall have a sufficient number of CAs, circuit trunks and other facilities to achieve the standards of service required by this RFP.
- A.5.6 The TRS shall comply with all State rules and regulations pertaining to operator services, particularly the provisions of 1220-4-2.23, .24, .25, .26, .27, .28, .29(1) (2) (3), .30, .31, .33, .36, .39 and .41. (See Attachment A).
- A.5.7 The TRS must provide access to each user's interexchange carrier (IXC) of choice, and to all other operator service, to the same extent that such access is provided to voice users.
- A.5.8 The TRS must answer 85% of all calls within ten (10) seconds by any method to prevent the caller's call from being placed in a sequence "to be answered in the order received" or on-hold. The ten (10) seconds timing begins when the call reaches the network of the TRS.
- A.5.9 The TRS shall make available to CAs the use of a "hot key" to be used to alert the TRS user of the presence of a recorded or interactive message for the number called. The TRS shall be capable of allowing the CA to record interactive or recorded messages to be used in order to facilitate the existing call, for the length of the call only.



A.5.10 The TRS shall be able to accommodate calls to pay-per-call services.

A.5.11 To ensure service reliability, the TRS shall be equipped with a back-up service and power capability in accordance with the State rules found in Attachment A, including uninterruptible power sources for emergency use. In addition, the TRS shall have an emergency place of action for service disruption, (e.g., extraordinary weather occurrences or disasters, etc.).

A.6 Turbo Code

A.6.1 The TRS shall provide Turbo Code.

A.7 TRS Operational Standards.

A.7.1 The TRS shall employ a sufficient number of supervisory personnel to oversee CAs and to maintain required service levels. Such supervisors shall meet the same qualifications and have the same training as the CAs they supervise.

A.7.2 CAs shall be subject to personality profiling and screening for suitability for the demands of relay work.

A.7.3 CAs shall be trained in all aspects of hearing and speech disabilities, cultures and language including, but not limited to, American Sign Language (ASL), Standard English Translation, cued speech, finger spelling, manual English, speech-reading and speech-amplification as well as trained to be sensitive to the special needs of the communicatively disabled.

A.7.4 CAs shall be capable of typing a minimum of 60 words per minute and be literate in grammar and spelling.

A.7.5 CAs shall be tested to determine that the requisite proficiency and suitability have been achieved. Documentation of this testing shall be retained by the Contractor, and may be subject to audit.

A.7.6 CAs shall be subject to ongoing training with respect to hearing impaired culture, language and needs sensitivity.

A.7.7 CAs shall adhere to the following standards:

A.7.7.1 CAs shall not intervene or interject personal comments, judgements, or additional information when relaying calls.

A.7.7.2 CAs shall be as transparent as possible to the users of the TRS. They shall avoid use of the third person and shall not intentionally alter the content of the relay calls.

A.7.7.3 CAs shall adhere to the Code of Ethics for Interpreters of the Deaf.

A.7.7.4 CAs shall only leave messages with third parties when instructed to do so by the calling party.

A.7.7.5 CAs shall relay all calls regardless of the obscene or illegal nature of the call.

A.7.7.6 CAs shall not discuss the contents of relayed calls, any caller identifying factors, calling points, or other information about relayed calls other than what is necessary to train other

CAs. Such training shall never refer to specific individuals, places, or content that would disclose to a trainee, or other person confidential information.

A.7.7.7 All communications made by or to a person with a communications disability is a privileged communication and is not subject to disclosure in any court proceeding or otherwise pursuant to T.C.A. § 24-10210.

A.7.7.8 CAs shall disconnect promptly at the end of each call to avoid additional charges. Where a caller or called party refuses disconnection and/or is abusive or uncooperative, the TRS supervisor may intervene to handle the call.

A.7.7.7 CAs may deny completion of relay calls where credit authorization is denied or where a caller is extremely, abusive, harassing, and uncooperative with the CAs. The CA shall document such incidents with intervention, where necessary, by the supervisor.

A.7.7.10 CAs shall provide, when requested by the TRS user and where possible, CA genders at the beginning of the call and, at the time during the call when a transfer of CA is necessary.

A.7.7.11 CAs shall relay a call verbatim unless the relay user requests summarization or interpretation of an ASL call.

A.7.7.12 CAs answering and placing a TTY based relay call must stay with the call for a minimum of ten (10) minutes before being replaced by another CA. CAs answering and placing an STS call must stay with the call for a minimum of fifteen (15) minutes, before being replaced by another CA for the same call.

#### A.8 Customer Profile.

The TRS shall provide to STS users the option to maintain a customer profile list that includes the name and telephone numbers of frequently called individuals to be used to complete relay calls. Such information shall not be deemed customer proprietary network information under Section 222 of the Communications Act and shall be transferred to the new Contractor from the previous Contractor if a change of Contractor occurs at the end of a contract period or any time during an existing contract.

#### A.9 Call Rating and Billing Requirements.

A.9.1 The calling or called parties using the TRS shall not be charged for calls originating and terminating within the same toll-free local calling area despite the fact that these calls may be routed through a relay center located outside the toll-free area.

A.9.2 The TRS shall not impose a charge for additional calls that must be made by the relay user to complete a call related to a recorded or interactive message.

A.9.3 All toll calls placed through the TRS shall be rated to the users of the service at the hearing-impaired discount rate applied by the State. These calls shall be rated as if the calls were placed between the originating and terminating call points instead of routed through the relay center. The timing of the call for billing purposes shall begin immediately upon pick-up at the called number. If a caller requests a person-to-person toll call, the timing begins only after the requested person has answered the call.

A.9.4 Calls to 900, 976, or 900-like services or other pay-per-call services shall not be subject to the hearing impaired discount and the caller should be advised accordingly.

A.9.5 Provider compensation billing submitted shall be based on the following assumptions. Any call which is answered by a live relay CA may count as one call for the provider compensation purpose regardless of whether the call is completed to the called party. Duration, for purposes of call measuring for provider compensation shall be from the time a live CA begins to relay a call including giving instructions on how to utilize the service until the call is terminated by the calling or called party, whichever comes first. Calls shall be billed to the contractor on a per minute basis measured by the duration of the call.

A.9.6 TRS shall include a method of providing sufficient billing and collection of information to allow calls to be billed accurately. The system must be capable of providing at a minimum, automatic number identification (ANI), the called number, the billing start and end time, and type of call, i.e., person-to-person, etc. Information local calls are to be retained by the Contractor for service monitoring, auditing and contractor reporting purposes.

A.9.7 The TRS shall forward a record of each billable call to the designated billing agent, i.e., LEC, IXC, etc. within 30 days of the date such service was supplied. The record must contain the telephone number or credit card number for all end user billable calls, i.e., local or toll; originating and terminating numbers; date of the call; start and end time of the call type (person to person), collect, etc; and preferred IXC for interlata calls.

A.10 Federal Communication Commission (FCC) Compliant.

A.10.1 Not limited to these rules in this Contract, the TRS must meet or exceed the FCC's mandatory minimum operational, technical and functional standards necessary to maintain state certification as indicated in CC Docket Number 98-67 et. seq., and amended docket.

A.11 Facility Requirement.

The primary relay center facility shall be located in Tennessee. There may be one or more center locations so long as service quality levels are maintained uniformly throughout the state. The center shall have adequate equipment, furniture and facilities, either owned or leased, to provide TRS for all possible center call volumes. If the TRS is located in a facility offering other services, the relay service shall be isolated appropriately to assure confidentiality standards are upheld. The relay center must be ready for operation by or before September 25, 2006. Off-peak or holiday center traffic as well as some specialized services such as Speech to Speech and other non-English relay services, may be handled at an out-of state center to cut down on the cost of the contractor. However, peak service shall be handled through the Tennessee center.

A.12 Auditing Requirements

A.12.1 The Contractor shall report monthly to the State on the service of the relay center. Such report shall include the following: total number of calls relayed in that month, show a breakdown of the number of calls initiated by non-impaired (voice) and hearing impaired parties handled through the TRS, the average duration of the call, the average speed of answer time, the daily average number of calls in queue, the blockage rate, the average length of time a call is in queue to be answered, and a summary of all relay complaints registered during that month.

A.12.2 The Contractor shall report annually to the State and/or fund administrator on the operations and traffic patterns of the center. On the first day of October in each year of the contract, the Contractor shall submit its annual report to the State which shall include

a summary of all charges to date submitted to the contractor for payment, the monthly call volume for that year for intrastate and interstate calls, the average call duration in each month, and the average monthly cost per call or minute. As a part of the report, the Contractor shall submit the number of personnel stationed in Tennessee and serving the center at that time.

**A.13 Outreach and Consumer Related Activities.**

A.13.1 The Contractor shall provide Outreach Personnel located in the state of Tennessee to provide outreach and activities to Tennessee relay users.

A.13.2 The Contractor shall work with the local exchange carriers of Tennessee to ensure that the LECs publish in their directories, provide periodically informational billing inserts, place instructions in their telephone directory on how to use the TRS, include the listing of TTY numbers toll-free numbers and instructions on 711 access in the directory and provide relay information through its directory assistance services.

A.13.3 The Contractor shall engage in outreach activities, promotional campaigns and other means of educating the public as to the benefits of TRS. The Contractor shall with the approval of the State and other appropriate officials, develop promotional materials, brochures and educational tools to explain TRS.

A.13.4 The Contractor shall promote the TRS annually by distributing 10,000 brochures, pamphlets, posters or other tangible means of information to the community as well as radio Public Service Announcements statewide.

A.13.5 The Contractor shall establish a Relay Advisory Committee of community members and relay users. This committee shall meet quarterly, at the expense of the relay provider, to discuss the relay and telecommunication needs of the relay users in the state. This committee shall consist of no fewer than five (5) members from the West, Middle and Eastern parts of the state; as well as, members representing the users various relay types.

A.14 The Contractor shall obtain from the State, prior to the effective date of the Contract, a Certificate of Public Convenience and Necessity (CCN) pursuant to Tennessee Code Annotated, Section 65-4-201.

**B. CONTRACT TERM:**

B.1. Contract Term. This Contract shall be effective for the period commencing on September 25, 2006 and ending on September 24, 2011. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

**C. PAYMENT TERMS AND CONDITIONS:**

C.1. There shall be no cost to the State for the performance of services under this contract as described in Section A.

The Contractor shall submit monthly invoices for the actual number of intrastate minutes processed through the TRS to the "Fund Administrator" designated by the State. Said invoices shall be submitted in form and substance acceptable to the State and Fund Administrator with all necessary supporting documentation prior to any payment. Such payments from the Fund Administrator shall constitute the entire compensation due the Contractor for services rendered pursuant to this Contract and the Contractor's obligation

hereunder regardless of the difficulty, materials, hours worked, or materials or equipment required. The unit rates of this contract are firm for the duration of the contract and are not subject to increase for any reason unless amended.

C.2 The State or it's designee reserves the right to audit any and all financial and operational aspects of the TRS during the course of this contract.

C.3 In consideration of products and services provided hereunder by the Contractor, the Contractor shall charge per conversation minute for TRS to the TRS Fund Administrator as follows:

Cost Item Description	Cost Per Minute				
	Year 1	Year 2	Year 3	Year 4	Year 5
Tennessee Relay Service per conversation minute	\$1.17	\$1.17	\$1.17	\$1.20	\$1.20

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least sixty (60) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest" and "Nondiscrimination" (sections D.6. and D.7.). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Records. The Contractor shall maintain documentation for all charges against the State under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.9. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.10. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.11. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.12. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.13. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.14. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the

exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.

- D.15. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.16. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.17. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Miki Murphy Klein  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243  
615-741-3939, ext 206 (Office Number)  
615-741-8953 (Fax Number)

The Contractor:

Verizon Relay Services  
Gerald "Jerry" Nelson  
Senior Manager  
22001 Loudon County Parkway  
Ashburn, VA 20147  
(703) 886-1419 Telephone  
(703) 886-0682 Fax

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30

p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

- E.3. Performance Bond. Upon approval of the Contract by all appropriate State officials in accordance with applicable State laws and regulations, the Contractor shall furnish a performance bond in the amount equal to two hundred thousand dollars (\$200,000.00), guaranteeing full and faithful performance of all undertakings and obligations under this Contract for the initial Contract term and all extensions thereof. The bond shall be in the manner and form prescribed by the State and must be issued through a company licensed to issue such a bond in the State of Tennessee.

The Contractor shall obtain the required performance bond in form and substance acceptable to the State and provide it to the State no later than May 19, 2006. Failure to provide the performance bond prior to the deadline as required shall result in contract termination.

In lieu of a performance bond, a surety deposit, in the sum of two hundred thousand dollars (\$200,000.00), may be substituted if approved by the State prior to its submittal.

- E.4. Confidentiality of Records. Strict standards of confidentiality of records shall be maintained in accordance with the law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of State law and ethical standards and shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with State law and ethical standards.

The Contractor will be deemed to have satisfied its obligations under this section by exercising the same level of care to preserve the confidentiality of the State's information as the Contractor exercises to protect its own confidential information so long as such standard of care does not violate the applicable provisions of the first paragraph of this section.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.5. Date/Time Hold Harmless. As required by *Tennessee Code Annotated*, Section 12-4-118, the contractor shall hold harmless and indemnify the State of Tennessee; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.
- E.6. Force Majeure. The obligations of the parties to this contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care



including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.

E.7. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:

- a. The Contract document and its attachments
- b. All Clarifications and addenda made to the Contractor's Proposal
- c. The Request for Proposal and its associated amendments
- d. Technical Specifications provided to the Contractor
- e. The Contractor's Proposal

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

**IN WITNESS WHEREOF:**

**VERIZON SERVICES CORPORATION:**

\_\_\_\_\_  
Sandra M. O'Brien, Executive Director

\_\_\_\_\_  
Date

**TENNESSEE REGULATORY AUTHORITY**

\_\_\_\_\_  
Ron Jones, Chairman

\_\_\_\_\_  
Date

**APPROVED:**

**DEPARTMENT OF FINANCE AND ADMINISTRATION:**

\_\_\_\_\_  
M. D. Goetz, Jr., Commissioner

\_\_\_\_\_  
Date

**DEPARTMENT OF PERSONNEL:**

Not Applicable

\_\_\_\_\_  
Nat E. Johnson, Acting Commissioner

\_\_\_\_\_  
Date

**COMPTROLLER OF THE TREASURY:**

---

**John G. Morgan, Comptroller of the Treasury**

**Date**

## **Attachment A**

### **1220-4-2-.23 EMERGENCY OPERATION.**

(1) Each telephone utility shall make reasonable provisions to meet emergencies resulting from failures of lighting or power service, sudden and prolonged increases in traffic, illness of operators, or from fire, storm or acts of God, and each telephone utility shall inform employees as to procedures to be followed in the event of emergency in order to prevent or mitigate interruption or impairment of telephone service.

(2) It is essential that all central offices have adequate provision for emergency power. In offices without installed emergency power facilities, there shall be a mobile power unit available which can be delivered on short notice, and which can be readily connected.

*Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.*

### **1220-4-2-.24 CONSTRUCTION WORK NEAR UTILITY FACILITIES.**

Even though all contractors working in the vicinity of utility lines or structures are responsible for exercising due diligence in preventing damage to utility property or interruption to utility services, telephone utilities shall, when requested, furnish to contractors appropriate information concerning location of underground conduit, cable, etc., in order to prevent any interruption of service to telephone customers. Nothing in this rule is intended to affect the responsibility, liability, or legal rights of any party under applicable laws or statutes.

*Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.*

REGULATIONS FOR TELEPHONE COMPANIES CHAPTER 1220-4-2

April, 2005 (Revised) 9

### **1220-4-2-.25 PROVISIONS FOR TESTING.**

Each telephone utility shall provide or have access to test facilities which will enable it to determine the operating and transmission capabilities of circuit and switching equipment, either for routine maintenance or for fault location.

*Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.*

### **1220-4-2-.26 METER AND RECORDING EQUIPMENT TEST FACILITIES.**

(1) Each utility furnishing telephone service, where local exchange billing is based on the number and/or duration of messages shall provide the necessary facilities, instruments, and equipment for testing its metering or recording equipment. Any utility may be exempted from this requirement by the Authority.

*Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974. Editorial changes*

*made by the Secretary of State pursuant to Public Chapter 305 of 1995; "Commission" and references to the*

*"Commission" were changed to "Authority" and references to the "Authority"; effective March 28, 2003.*

### **1220-4-2-.27 ACCURACY REQUIREMENTS.**

(1) All meters and/or recording devices used to record data and prepare customer's bills shall be in good mechanical and electrical condition, shall be accurately read and shall not involve approximations. All meters and/or recording devices shall accurately perform the following:

(a) For message rate service, where timing of length of message is not involved, the meter and/or recording device shall show accurately the number of completed messages sent by the station which it is measuring.

(b) For message toll service, the meter and/or recording device shall show accurately the number or calls and the time involved in each call and the station making such call.

(c) Where the recording equipment provides coded information that is used to automatically prepare customer bills, accurate interpretation of such coded information is required.

*Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.*

#### **1220-4-2-.28 ADEQUACY OF SERVICE.**

(1) Each utility shall employ engineering and administrative procedures to determine the adequacy of service being provided to the customer.

*Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.*

#### **1220-4-2-.29 BASIC UTILITY OBLIGATIONS.**

(1) Each telephone utility shall provide telephone service to the public in its service area. Such service shall meet or exceed the standards set forth in Chapter 1220-4-2. Regulations for Telephone Companies.

(2) Each telephone utility has the obligation of continually reviewing its operations to assure the furnishing of adequate service.

(3) Where a telephone utility is generally operated in conjunction with any other enterprise, suitable records shall be maintained so that the results of the telephone operation may be determined upon reasonable notice and request by the Authority.

#### **REGULATIONS FOR TELEPHONE COMPANIES CHAPTER 1220-4-2**

(Rule 1220-4-2-.29, continued)

April, 2005 (Revised) 10

(4) Business office shall be so located and staffed that customers and the public will have convenient access to qualified personnel, including supervisory personnel where warranted, to answer questions relating to services and rates, accept and process applications for service, explain charges on customers' bills, adjust charges made in error and in general, represent the utility to the customer.

(a) Where one business office serves several communities toll-free calling to the business office from such communities shall be provided. By means of directory information or assistance, signs on company buildings and property, newspaper advertising or other methods necessary, the utility shall keep its customers and the public advised as to means of contacting the business office.

(b) Business office services will be available to the customers and the public during the normal hours of the normal work week, excluding holidays and at such other times as may be warranted by circumstances.

(c) It will be the responsibility of the utility to insure that qualified personnel, instructed to be

courteous, considerate and efficient, are available to promptly serve those who contact the business office.

(d) The utility shall inform the customer of any service connection charge to be applied to his bill and the monthly charge for the service ordered, with the exception of business customers not requiring this information, prior to undertaking any action to furnish the service ordered. To customers inquiring about new service, the utility shall provide any information and assistance necessary to obtain service conforming to the customer's needs.

*Authority: T.C.A. §§65-202, 65-2-102, 65-4-104, and 65-4-106. Administrative History: Original rule certified May 9, 1974. Amendment filed August 18, 1982; effective September 17, 1982. Editorial changes made by the Secretary of State pursuant to Public Chapter 305 of 1995; "Commission" and references to the "Commission" were changed to "Authority" and references to the "Authority"; effective March 28, 2003.*

#### **1220-4-2-.30 TRAFFIC RULES.**

- (1) Suitable practices shall be adopted by each telephone utility concerning the operating methods to be employed by operators with the objective of providing efficient and pleasing service to the customers.
- (2) Telephone operators shall be instructed to be courteous, considerate and efficient in the handling of all calls, and to comply with the provisions of the Communications Act of 1934 in maintaining the secrecy of communications.
- (3) All operator-handled calls shall be carefully supervised and disconnects made promptly.
- (4) When an operator is notified by a customer that he has reached a wrong number on a direct dialed call, the customer shall be given credit on his bill when the Claim has been substantiated.

*Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.*

#### **1220-4-2-.31 TRANSMISSION REQUIREMENTS.**

- (1) Telephone utilities shall furnish and maintain adequate plant, equipment and facilities to provide satisfactory transmission of communications between customers in their service area.

*Authority: T.C.A. §§65-202, 65-2-102, 65-4-104, and 65-4-106. Administrative History: Original rule certified May 9, 1974. Amendment filed August 18, 1982; effective September 17, 1982.*  
REGULATIONS FOR TELEPHONE COMPANIES CHAPTER 1220-4-2  
April, 2005 (Revised) 11

#### **1220-4-2-.32 PUBLIC TELEPHONE SERVICE.**

- (1) The utility shall establish public telephone service at locations where the public convenience will be served. The Authority may direct installation of a public telephone where it is needed.

*Authority: T.C.A. §§65-202, 65-2-102, 65-4-104, and 65-4-106. Administrative History: Original rule certified May 9, 1982. Amendment filed August 18, 1982; effective September 17, 1982. Editorial changes made by the Secretary of State pursuant to Public Chapter 305 of 1995; "Commission" and references to the "Commission" were changed to "Authority" and references to the "Authority"; effective March 28, 2003.*

#### **1220-4-2-.33 INTERRUPTIONS OF SERVICE.**

Interruptions occur, the utility shall re-establish service' with the shortest possible delay.

(2) Arrangements shall be made to receive customer trouble reports 24 hours daily and to clear trouble of an emergency nature at all hours, consistent with the bona fide needs of the customer and personal safety of utility personnel.

(3) Each telephone utility shall maintain an accurate record of trouble reports made by its customers. This record shall include appropriate identification of the customer or service affected, the time, date and nature of the report, the action taken to clear trouble or satisfy the complaint, and the date and time of trouble clearance or other disposition. This record shall be available to the Authority or its authorized representatives upon request at any time within the period prescribed for retention of such records.

*Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974. Editorial changes made by the Secretary of State pursuant to Public Chapter 305 of 1995; "Commission" and references to the "Commission" were changed to "Authority" and references to the "Authority"; effective March 28, 2003.*

#### **1220-4-2-.34 SERVICE OBJECTIVES AND SURVEILLANCE LEVELS.**

(1) Certain measurements have been shown to be most important in determination of quality of telephone service. The results of these measurements may vary, however, depending on the size of the service area being measured, geography and demography of the service area, types of equipment operated by the telephone utility, season of the year (weather) and number of days in the month being measured. For these reasons, no single statistical standard can serve as a strict demarcation level between "good" and "poor" service for every company in Tennessee.

(2) Accordingly, the Authority has established herein a set of criteria which is generally recognized as being on the one hand, measures of reasonable and economically attainable service, and on the other hand, levels of service which indicate a need for scrutiny of service and corrective action.

(3) Each utility shall make measurements to determine the level of service for each item included in these rules to the extent feasible. In central offices of such size that recording equipment is not presently, or normally installed for the purpose of measuring accurately such functions as dial tone speed and central office overflows, this rule does not mandate the installation of such measuring equipment. Each utility shall, however, make the necessary physical checks and observations in such offices to assure that levels of service on any of the items included herein are being maintained.

(4) These rules require scheduled formal reports on a quarterly basis. In addition where continuing service problems are indicated by failure to meet surveillance levels and/or complaints in individual exchange areas, the Authority may require reports of investigation and corrective action be taken. If unreasonable hardship to a utility or to a customer results from the application of any rule herein prescribed, application may be made to the Authority for the modification of the rule or for temporary or permanent exemption from its requirements. The adoption of these rules by the Authority shall in no way preclude it from altering or amending them pursuant to applicable statutory procedures, nor

#### **REGULATIONS FOR TELEPHONE COMPANIES CHAPTER 1220-4-2**

(Rule 1220-4-2-.34, continued)

April, 2005 (Revised) 12

shall the adoption of these rules preclude the Authority from granting temporary exemptions from its regulations in exceptional cases.

*Authority: T.C.A. §§65-202, 65-2-102, 65-4-104, and 65-4-106. Administrative History: Original rule certified*

*May 9, 1982. Amendment filed August 18, 1982; Effective September 17, 1982. Editorial changes made by the Secretary of State pursuant to Public Chapter 305 of 1995; "Commission" and references to the "Commission" were changed to "Authority" and references to the "Authority"; effective March 28, 2003.*

#### **1220-4-2-.35 INSTALLATION OF SERVICE.**

(1) (a) In any area where facilities are available, 85% of the utility's regular service order installations shall normally be completed within five (5) working days in exchanges of more than 3000 access lines. The intervals commence with the receipt of application unless a later date is requested by the applicant.

(b) In any area where facilities are available, 75% of the utility's regular service order installations shall normally be completed within five (5) working days in exchanges of less than 3000 access lines.

(c) Surveillance Level - In any reporting entity of less than 3000 access lines, completion of less than 75% within five (5) working days on a continuing basis indicates a need for investigative or corrective action.

(d) Surveillance Level - In any reporting entity of less than 3000 access lines, completion of less than 65% within five (5) working days on a continuing basis indicates a need for investigative or corrective action.

(2) Ninety percent of the utility's commitments to customers in a Reporting Entity as to the date of installation of regular service orders shall be met excepting customer caused delays and acts of God.

(a) Surveillance Level-A continued rate or less than 88% indicates a need for investigative or corrective action.

(3) A regrade order shall normally be filled no later than 30 days where facilities are available after the customer has made application for a different grade of service except where the customer requests a later date. In the event of the utility's inability to so fill such an order, the customer will be advised and furnished the estimated date when it will be available.

(4) If the Authority finds an applicant and/or area should be served, viewing all the surrounding circumstances, it may direct that the company serve that area.

*Authority: T.C.A. §§65-2-102, 65-4-104, and 65-4-106. Administrative History: Original rule certified May 9, 1974. Amendment filed August 18, 1982; effective September 17, 1982. Amendment filed March 31, 1987; effective June 29, 1987. Editorial changes made by the Secretary of State pursuant to Public Chapter 305 of 1995; "Commission" and references to the "Commission" were changed to "Authority" and references to the "Authority"; effective March 28, 2003.*

#### **1220-4-2-.36 OPERATOR HANDLED CALLS.**

(1) All operator-handled calls shall be carefully supervised. Calls requiring timing shall be carefully timed.

(2) Each utility shall maintain adequate personnel to provide an average operator answering performance as follows on a monthly basis:

REGULATIONS FOR TELEPHONE COMPANIES CHAPTER 1220-4-2

(Rule 1220-4-2-.36, continued)

April, 2005 (Revised) 13

(a) Ninety percent of toll and assistance operator calls answered within ten seconds (equivalent measurements may be used).

i. Surveillance level - Answering time of less than 87% of calls within ten seconds (or equivalent measurement) on a continuing basis indicates a need for investigative or corrective action.

(b) Eighty-five percent of calls to Directory Assistance answered within ten seconds (equivalent measurement may be used).

(c) Surveillance Level-Answering time within ten seconds (equivalent measurement may be used) on less than 78% of calls to Directory Assistance on a continuing basis indicates a need for investigative or corrective action.

(3) An "answer" shall mean that the operator is ready to render assistance and/or ready to accept information necessary to process the call. An acknowledgment that the customer is waiting on the line shall not constitute an answer

*Authority: T.C.A. §65-2-102. Administrative History: Original rule filed February 2, 1976; effective March 3, 1976.*

#### **1220-4-2-.37 LOCAL DIAL SERVICE.**

(1) Sufficient central office capacity and equipment shall be provided to meet the following requirements during the average busy season, busy hour.

Dial tone within three seconds on 98.0% of calls.

i. Surveillance Level - Dial tone within three seconds on less than 97.4% of calls on a continuing basis indicates a need for investigative or corrective action.

(b) Completion of 97% of local dialed calls without encountering an equipment busy condition(blockage).

i. Surveillance Level - When the completion rate falls below 92% on a continuing basis investigative or corrective action should be initiated.

*Authority: T.C.A. §65-2-102. Administrative History: Original rule filed February 2, 1976; effective March 3, 1976.*

#### **1220-4-2-.38 DIRECT DISTANCE DIAL SERVICE.**

(1) Engineering and maintenance of the trunk and related switching components in the internal network shall be such as to permit attaining the following objective on properly dialed calls, during the average busy season. without encountering blockages or equipment irregularities.

DDD Calls by customer (incoming trunks) -98%.

Surveillance Level-96%.

*Authority: T.C.A. §65-2-102. Administrative History: Original rule filed February 2, 1976; effective March 3, 1976.*



REGULATIONS FOR TELEPHONE COMPANIES CHAPTER 1220-4-2  
April, 2005 (Revised) 14

**1220-4-2-.39 CUSTOMER TROUBLE REPORTS.**

(1) Service shall be maintained in such a manner that the monthly rate of all customer trouble reports not exceed the following objective levels by reporting entity:

Exchanges having 14,000 or more access lines - 6.0 per 100 access lines.

Exchanges having 3,000 to 14,000 access lines - 6.5 per 100 access lines.

Exchanges having less than 3,000 access lines - 9.5 per 100 access lines.

(2) Surveillance Level - A customer trouble rate exceeding the monthly level shown below for three consecutive months in a reporting entity indicates a need for investigation or corrective action:

Exchanges having 14,000 or more access lines - 7.0 per 100 access lines.

Exchanges having 3,000 to 14,000 access lines - 7.5 per 100 access lines.

Exchanges having less than 3,000 access lines - 11.0 per 100 access lines.

*Authority: T.C.A. §§ 65-2-102, 65-4-104, and 65-4-106. Administrative History: Original rule certified May 9, 1974. Amendment filed February 2, 1976; effective March 3, 1976. Amendment filed August 18, 1982; effective September 17, 1982. Amendment filed March 31, 1987; effective June 29, 1987.*

**1220-4-2-.40 REPEALED.**

*Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974. Repealed by Public Chapter 440; effective July 1, 1985.*

**1220-4-2-.41 SAFETY PROGRAM.**

(1) Each utility shall adopt and execute a safety program fitted to the size and type of its operations. At a minimum, the safety program should:

(a) Require employees to use suitable tools and equipment in order that they may perform their work in a safe manner.

Instruct employees in safe methods of performing their work.

(c) Instruct employees whom, in the course of their work are subject to the hazard of electrical shock, asphyxiation or drowning, in acceptable methods of first aid.

*Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974)*

**Joint Petition Exhibit B: Affidavit of Mark L. Stern**

## AFFIDAVIT

**State of New Jersey**  
**Bergen County**

**BEFORE ME**, the undersigned Notary, Dorothy F. Mozulay, on this 30th day of August, 2007, personally appeared Mark L. Stern, known to me to be a credible person and of lawful age, who being by me first duly sworn, on his oath, deposes and says:

1. I, Mark L. Stern, am the TRS Compliance Officer of GoAmerica Relay Services Corp. ("GRSC" or the "Company").

2. GRSC provides this Affidavit in support of the Joint Petition for Expedited Approval of the assignment of the contract to provide intrastate telecommunications relay services ("TRS") in the State of Tennessee, and the transfer of the Tennessee Telereley Call Center ("TRC") and other related assets to GRSC, submitted by MCI Communications Services, Inc. d/b/a Verizon Business Services ("Verizon") and GRSC.

3. On August 1, 2007, GRSC and Verizon entered into an Asset Purchase Agreement (the "Agreement") whereby Verizon agreed to sell, and GRSC agreed to purchase, certain assets of Verizon related to Verizon's TRS business. In Tennessee, the TRS assets include the contract between the State of Tennessee, the Tennessee Regulatory Authority ("TRA"), and Verizon Services Corporation (the "TRS Contract"), incidental assets used in the provision of interstate and intrastate TRS, and the right to operate the TRC, located at 1725 N. Shelby Oaks Drive, Memphis, Tennessee.

4. The closing of the transaction is scheduled to occur following the receipt of all required approvals and the satisfaction of certain conditions. Following the closing, Tennessee consumers will continue to have access to TRS, which from the point of closing forward would be provided by GRSC.

5. Under the terms of the Agreement, Verizon employees that are actively employed in the TRS business on the closing date, and that become employees of GRSC or its approved subcontractor, will be offered similar employment and benefits as are currently offered by Verizon. Attached hereto as **Attachment A to Stern Affidavit** is a chart showing the organization that currently supports the TRS Contract. The Company or its subcontractor will extend offers of employment to all individuals currently employed by Verizon and, presuming that such individuals accept such employment, the Company believes that these individuals will continue to support the TRS Contract following the closing of the transaction. Because the institutional expertise and equipment of Verizon's TRS business will be transferred to GRSC or its subcontractor, the Company believes that the transaction will be transparent to Tennessee consumers.

6. Presuming that the TRA approves the transfer of the TRS Contract to GRSC, GRSC will perform all obligations of the Contractor under the TRS Contract, including the "Conflicts of Interest" and "Nondiscrimination" provisions found in D.6 and D.7 of the TRS

Contract. Attached hereto as **Attachment B to Stern Affidavit** are the Company's responses to relevant portions of the Request for Proposal to which Verizon previously responded.

6. GRSC is a recently formed, wholly-owned subsidiary of GoAmerica, Inc. ("GoAmerica"), incorporated in the State of Delaware. GoAmerica was incorporated in December 1999 in the State of Delaware. GoAmerica is publicly traded on the NASDAQ market system, under the symbol "GOAM." Both GoAmerica and GRSC are headquartered in Hackensack, New Jersey.

7. GRSC holds a Certificate of Good Standing in the State of Delaware, and a Certificate of Authorization from the Secretary of State of Tennessee, attached as **Certification App. Exhibit A** to the Certification Application (as defined below). Concurrently herewith, GRSC will file with the TRA an application for a Certificate to Provide Competing Local Telecommunications Services ("Certification Application") setting forth GRSC's technical, financial, and managerial qualifications, which GRSC incorporates herein by reference.

8. GRSC acknowledges that the TRS Contract (at Section E.3) requires GRSC to operate in accordance with all state laws and regulations, and further that GRSC will be obligated to furnish a performance bond in the amount of \$200,000 guaranteeing full and faithful performance of all undertakings and obligations under the TRS Contract or, as an alternative, to provide a surety deposit in the amount of \$200,000. As noted in the Joint Petition, the Company has obtained substantial capital commitments sufficient to acquire the TRS business from Verizon, which commitments exceed \$60,000,000. These commitments, in conjunction with GoAmerica's existing financials (provided as an attachment to the Certification Application), provide more than sufficient resources to comply with the above-referenced performance bond/surety deposit obligations, and during the pendency of the Joint Petition the Company will work with TRA Staff to determine the appropriate and optimum security arrangements and to enter into such arrangements to the satisfaction of the TRA.

*[Remainder of page intentionally left blank – signature and notarization on following page]*

Mark L. Stern

Mark L. Stern  
GoAmerica Relay Services Corp.  
433 Hackensack Avenue, 3rd Floor  
Hackensack, NJ 07601

Subscribed and sworn to before me, this 30<sup>th</sup> day of August, 2007.

Dorothy F. Mozulay  
Signature of Notary

Dorothy F. Mozulay  
Printed or typed name of Notary

NOTARY PUBLIC

My commission expires: \_\_\_\_\_

DOROTHY F. MOZULAY  
NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES NOV. 21, 2010

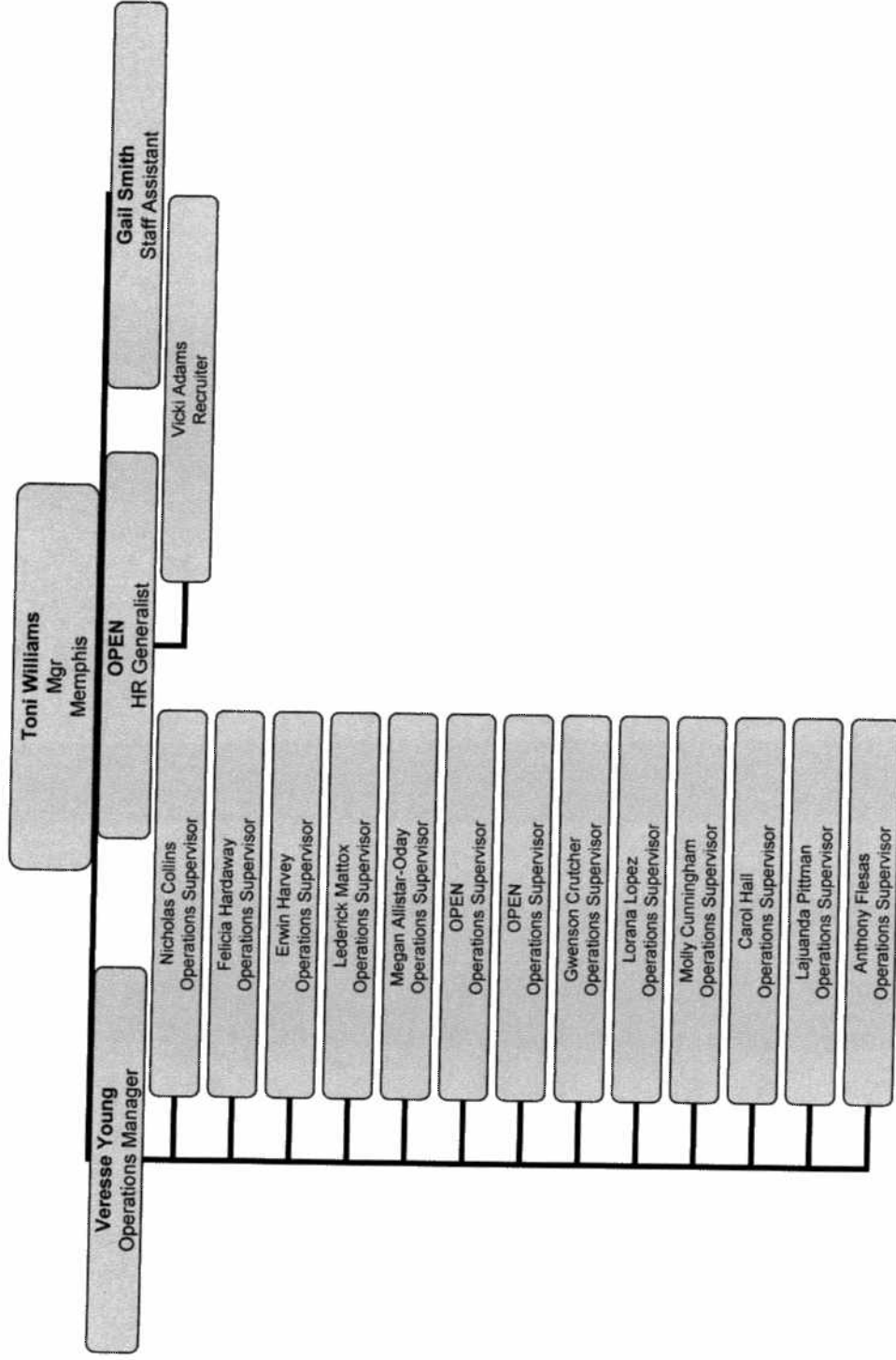
### **List of Attachments to Stern Affidavit**

Attachment A to Stern Affidavit:      Organizational Chart

Attachment B to Stern Affidavit:      GRSC's Responses to RFP Sections

- RFP Appendix A: Certificate of Compliance
- RFP Appendix B: GoAmerica, Inc. Form 8-K
- RFP Appendix C: Certificate of Insurance

**Attachment A to Stern Affidavit: Organizational Chart**





## Attachment B to Stern Affidavit: GRSC's Responses to RFP Sections

---

- 5.2.2.2: written certification and assurance of the Proposer's compliance with:**
- the laws of the State of Tennessee;**
  - Title VI of the federal Civil Rights Act of 1964;**
  - the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;**
  - the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;**
  - the condition that the submitted proposal was independently arrived at, without collusion under penalty of perjury; and,**
  - the condition that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the procurement under this RFP. (Use Attachment 9.1, Certification of Compliance)**

Response: GoAmerica Relay Services Corp. ("GRSC") provides herewith, as **RFP Appendix A**, a completed Attachment 9.1 Certification of Compliance in compliance with the above.

- 5.2.2.3: documentation of financial responsibility and stability; said documentation shall include:**

- 5.2.2.3.1: a current written bank reference, in the form of a standard business letter, indicating that the Proposer's business relationship with the financial institution is in positive standing**

Response: GRSC submits herewith, as **RFP Appendix B**, a copy of GoAmerica, Inc.'s ("GoAmerica") Form 8-K, as filed with the Securities Exchange Commission on August 7, 2007. This Form 8-K outlines in comprehensive detail transaction financing sufficient to demonstrate GRSC's financial responsibility and stability with respect to provision of TRS service in Tennessee. Please note that Exhibit 99.1 and 99.2 to the Form 8-K contain first and second lien commitment letters between GoAmerica and Clearlake Capital Group, L.P. The Form 8-K and exhibits are available on the SEC's website at:

<http://www.sec.gov/Archives/edgar/data/1101268/000089109207003406/0000891092-07-003406-index.htm>

- 5.2.2.3.2: two current written, positive credit references, in the form of standard business letters, from vendors with which the Proposer has done business; in lieu of such documentation, a positive credit rating determined by an accredited credit bureau within the last 6 months**

Response: Please see response to Section 5.2.2.3.1.

***5.2.2.3.3: a copy of a valid certificate of insurance indicating liability insurance in the amount of at least one million dollars (\$1,000,000)***

Response: GRSC submits herewith, as **RFP Appendix C**, a valid certificate of insurance.

***5.2.2.4: written confirmation that the Proposer will provide a performance bond in accordance with the requirements of the RFP***

Response: See paragraph 8 of the Affidavit of Mark L. Stern, to which these RFP responses are attached.

***5.2.3 General Proposer Qualifications and Experience. Technical Proposals shall provide the following information (referencing the subsections in sequence) to evidence the Proposer's experience in delivering services similar to those required by this RFP:***

***5.2.3.1: a brief, descriptive statement indicating the Proposer's credentials to deliver the services sought under this RFP***

Response: GRSC is acquiring all of the institutional experience and equipment of Verizon's TRS business. Consequently, GRSC adopts Verizon's response to this section of the RFP. In addition, GoAmerica has substantial experience as a provider of interstate telecommunications relay services ("TRS"). See GoAmerica's application for a Certificate to Provide Competing Local Telecommunications Services (the "Certification Application"), being filed contemporaneously herewith.

***5.2.3.2: a brief description of the Proposer's background and organizational history***

Response: GRSC is acquiring all of the institutional experience and equipment of Verizon's TRS business. Therefore, GRSC adopts that specific portion of Verizon's response to this section of the RFP titled "Telecommunications Relay Services."

Additionally, GRSC provides a brief description of its background and organizational history. GRSC is a recently-formed Delaware corporation, and a wholly-owned subsidiary of GoAmerica, Inc. ("GoAmerica"). GoAmerica was also organized in the State of Delaware in December 1999. A copy of GRSC's Certificate of Authority to Do Business in the State of Tennessee, including a Certificate of Good Standing in the State of Delaware, is provided as **Certification App. Exhibit A** to the Certification Application. An organization chart of the company is provided in **Attachment A to Stern Affidavit**. In addition, further information about Go America can be found at [www.goamerica.com](http://www.goamerica.com).

***5.2.3.3: years in business***

Response: GRSC was recently formed for the purposes of acquiring Verizon's TRS business in the instant transaction. GoAmerica was incorporated in 1999 and served as a technology subcontractor to another interstate TRS provider from 2004 to 2006. GoAmerica began providing interstate TRS services under its own i711.com® brand in 2005, and continues to do so today.

***5.2.3.4: a brief statement of how long the Proposer has been performing the services required by this RFP***

Response: Because GRSC is recently formed, it has not yet begun to provide TRS. GoAmerica, the parent company of GRSC, has been providing interstate TRS under its own i711.com® brand since 2005. From 2004 to 2006, GoAmerica served as a technology subcontractor to another interstate TRS provider. In addition, because GRSC is acquiring all of the institutional experience and equipment of Verizon's TRS business, GRSC consequently adopts Verizon's response to this section of the RFP.

***5.2.3.5: location of offices***

Response: GRSC's primary corporate offices are currently located in Hackensack, New Jersey.

***5.2.3.6: a description of the Proposer's number of employees, longevity, client base***

Response: Upon acquisition of Verizon's TRS business, GoAmerica will have approximately 90 to 100 direct employees, and through long-term commitments with its subcontractor, Stellar Nordia Services, Inc., ("Stellar Nordia") will utilize approximately 1,000 employees in GRSC's TRS call centers, more than 900 of which will be comprised of the former employees of Verizon.

***5.2.3.7: whether there have been any mergers, acquisitions, or sales of the Proposer company within the last ten years (if so, an explanation providing relevant details)***

Response: There have been no mergers, acquisitions or sales of the GRSC.

***5.2.3.8: form of business (i.e., individual, sole proprietor, corporation, non-profit corporation, partnership, joint venture, limited liability company, et cetera)***

Response: GRSC is a corporation, incorporated in the State of Delaware.

***5.2.3.9: a statement as to whether the Proposer or any of the Proposer's employees, agents, independent contractors, or subcontractors have been convicted of, pled guilty to, or pled no lo contendere to any felony, and if so, an explanation providing relevant details***

Response: Neither GRSC nor any of its employees, agents, independent contractors, or subcontractors have been convicted of, pled guilty to, or pled *no lo contendere* to any felony.

***5.2.3.10: a statement as to whether there is any pending litigation against the Proposer; and if such litigation exists, attach an opinion of counsel as to whether the pending litigation will impair the Proposer's performance in a contract under this RFP***

Response: There is no litigation pending against GRSC that will impair its performance in a contract under the RFP.

***5.2.3.11: a statement as to whether, in the last ten years, the Proposer has filed for (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or***

*involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors; and if so, an explanation providing relevant details*

Response: No.

***5.2.3.12: an organizational chart highlighting the key people who shall be assigned to accomplish the work required by this RFP; it should illustrate the lines of authority and designate the individual responsible for the completion of each service component and deliverable of the RFP***

Response: GRSC is acquiring all of the institutional experience and equipment of Verizon's TRS business. As noted herein, GoAmerica will extend offers of employment to all Verizon TRS employees actively employed in the TRS business on the closing date. Until those offers have been extended and either accepted or rejected, GRSC will not have an operational organization chart responsive to this question. See, however, Verizon's current organizational chart, attached as **Attachment A to Stern Affidavit**.

***5.2.3.13: a narrative description of the proposed project team, its members, and organizational structure***

Response: GRSC is acquiring all of the institutional experience and equipment of Verizon's TRS business. Verizon has provided GRSC with an updated response to this section of the RFP, which addresses changes that have occurred since Verizon submitted its response to the RFP. Consequently, GRSC adopts the following updated response to this section of the RFP. Verizon's existing position assignments are as follows in the chart below. As noted in the previous answer, until employment offers have been extended and accepted or rejected, GRSC cannot identify the individuals that will be assigned to these positions.

<b>Position Assignments</b>	<b>Individual Assigned</b>
Memphis Center Director	
TRC Program/Outreach and Education Manager	
Operations Manager	
Traffic and Scheduling Manager	
Human Resources Manager	
Human Resources Specialist	
CA Supervisor	
Communications Assistant (CA)	
Staff Interpreter	
Trainer	
Supervisor, Technical Support	
Technical Support, Trouble Triage	

***5.2.3.14: a personnel roster and resumes of key people who shall be assigned by the Proposer to perform duties or services under the contract; the roster should include an estimated number of hours to be worked on the contract for each person, and the***

*resumes shall detail each individual's title, education, current position with the Proposer, and employment history*

Response: GRSC is acquiring all of the institutional experience and equipment of Verizon's TRS business. Verizon has provided GRSC with an updated response to this section of the RFP, which addresses changes that have occurred since Verizon submitted its response to the RFP. Consequently, GRSC adopts the following updated response to this section of the RFP.

Verizon's existing TRS positions are as follows in the chart below. As noted in the previous answer, until employment offers have been extended and accepted or rejected, GRSC cannot identify the individuals that will be assigned to these positions.

<b>TRC Position</b>	<b>Individual</b>	<b>Estimated time devoted to State of Tennessee</b>
Director of Quality and Training		
Director of Global Relay		
Account Manager, TN Relay		
Senior Enhanced Network Solutions Engineer, Global Relay Services		
Senior Manager, Operations		
Reporting Manager		
Memphis Center Director, TRC		
Human Resources Manager		
TRC Program/Outreach and Education Manager		
Operations Manager		
Traffic and Scheduling Manager		
Staff Interpreter		
CA Supervisor		

**5.2.3.15:** *a list of all current contractual relationships with the State of Tennessee, if any, and of all those completed within the previous five year period, if any; the listing should include:*

- *the contract number;*
- *the contract term; and*
- *the procuring state agency for each reference*

Response: GRSC has no current or former contractual agreements with the State of Tennessee.

**5.2.3.16:** *customer references for similar projects representing both three of the larger accounts currently serviced by the vendor and three completed projects; for each reference, include:*

- *the company name and business address;*
- *the name, title, and telephone number of the company contact knowledgeable about the project work; and*
- *a brief description of the service provided and the period of service.*

Response: GoAmerica currently provides interstate TRS services to end users on a casual use basis; it does not have any similar state TRS contracts.

***Section 5.2.4 Technical Approach. The Proposer shall describe its plans and approach for accomplishing the work requested. The information provided shall be in enough detail to enable the State to ascertain the Proposer's understanding of the effort to be accomplished and should outline the steps in the total service proposed. Technical Proposals shall provide the following narrative information (referencing the subsections in sequence) to evidence the suitability of the Proposer's technical approach to delivering the services sought under this RFP:***

***5.2.4.1: The Proposer must provide a comprehensive narrative, captioned "Project Understanding," that illustrates the vendor's understanding of the State's requirements and project schedule***

Response: GRSC is acquiring all of the institutional experience and equipment of Verizon's TRS business. Consequently, GRSC adopts Verizon's response to this section of the RFP.

***5.2.4.2: The Proposer must provide a comprehensive narrative, captioned "Project Approach," that illustrates how the Proposer will complete the scope of services, accomplish required objectives, and meet the State's project schedule. Included in the description of the Project Approach, the Proposer shall provide a description of the facilities to be utilized to provide the service. This description shall include the number and proposed location(s) of relay center(s), type of office(s) and telecommunications equipment to be utilized at the center(s), back-up emergency power sources and locations, and any other necessary equipment***

Response: GRSC is acquiring all of the institutional experience and equipment of Verizon's TRS business. Consequently, GRSC adopts Verizon's updated response to this section of the RFP to the extent that it is applicable. In addition, the following information applies to GRSC's relay services:

#### Project Approach

GRSC proposes to provide the full scope of services listed in the RFP and related documents and which are currently provided by Verizon.

#### Proposed Relay Services

GRSC's relay service will incorporate all of the items listed in Verizon's RFP's scope of service as standard features of the relay service. These services will be available 24 hours a day, 7 days a week, 365 days a year. GRSC will offer the following basic services:

- Text to voice and voice to text in Baudot and ASCII
- Voice Carry-Over (VCO), 2 Line VCO, VCO to VCO, VCO to TTY
- Hearing Carry-Over (HCO), 2 Line HCO, HCO to HCO, HCO to TTY

GRSC's relay systems will work with all present customer-provided equipment including any that is Turbo Code enabled.

GRSC offers Spanish language relay. A call can either arrive to the center as a Spanish call or the CA can change to Spanish at the user's request.

#### Emergency Calls

GRSC shall continue to respond to emergency calls in the manner in which Verizon currently responds to such calls.

#### 711 Access

GRSC will provide 711 access in the State of Tennessee.

#### Continual Improvement

GRSC will continue to work to improve the features and capabilities of its relay service offerings and will apprise the TRA of any technological improvements that may impact TRS in the State of Tennessee.

GRSC will closely follow research efforts in accessibility to telecommunications at such schools as Gallaudet University, the Trace R&D Center at the University of Wisconsin, the Archimedes Hawaii Project, and Rochester Institute of Technology. GRSC also works closely with companies whose businesses relate to communications solutions for the deaf and hard-of-hearing in order to stay abreast of the latest technological innovations. GRSC will continue to leverage proven technology and incorporate new features into its TRS platform.

In addition to working closely with professional and technical organizations, GRSC prides itself on listening closely to its customers and meeting their needs. GRSC's continuing ability to meet those needs depends on excellence in:

- Harnessing the rapid evolution of advanced technology to create products and services that anticipate customer needs
- Implementing those products through technologically advanced networks
- Bringing products and services to the marketplace through a high-quality sales force
- Providing high levels of customer service

In the event that GRSC researches or tests technological innovations that may have an impact on Tennessee Relay offerings, a meeting with the TRA will be requested to demonstrate the new technology. The purpose of this demonstration will be to introduce State officials to the new advances and to garner feedback on how important these advances will be to improving the overall value of Tennessee Relay.

If the TRA determines that any such new technology would improve the value and effectiveness of Tennessee Relay, GRSC will begin test implementation of the technology. Prior to offering any such new technology or services to the public, GRSC will undergo a rigorous development and quality assurance assessment in order to prepare the Tennessee Relay system

for the inclusion of such new technology. Before enabling such new technology for complete rollout to all Tennessee Relay customers, GRSC will invite a select group of consumers to conduct beta tests of the new technology. GRSC will use feedback from these users to refine the product prior to final release to the general public.

### Facility Description

As part of its acquisition of the Verizon TRS business in the transaction, GRSC will acquire rights to the Tennessee Telerelay Call Center ("TRC"), located at 1725 N. Shelby Oaks Drive, Memphis, Tennessee 38134, which will continue to serve as the primary center for handling Tennessee intrastate TRS traffic. This 33,000 square foot facility provides more than adequate space for the estimated 75 seats required to provide Tennessee intrastate TRS. This facility is fully operational.

The TRC is equipped with the necessary telecommunications equipment, software, and support systems to run the Tennessee intrastate TRS system and meet all required levels of service as detailed in the RFP. This infrastructure includes all transmission and switching systems, specialized operator console networking elements and software, network billing systems, and technical support.

### Equipment and Personnel

GRSC will ensure the supply of all facilities and telecommunications equipment required to provide intrastate TRS in Tennessee, as specified in the RFP. This will include all telecommunications trunks, cables, or lines connected to the relay center to receive or initiate telecommunications for the purposes of providing the relay system. GRSC will ensure that the facility is supplied with all furniture or miscellaneous items required to provide intrastate TRS in Tennessee as specified in the RFP. GRSC will arrange for the provision and necessary training of all personnel required to staff and will operate the Tennessee intrastate TRS system as specified in the RFP. As previously noted, GoAmerica has arranged for the call center to be managed on a day-by-day basis by its subcontractor, Stellar Nordia.

### Uninterruptible Power

The TRC will have adequate redundancy features that are functionally equivalent to the equipment in traditional central offices, including uninterruptible power for emergency use.

GRSC will ensure that the TRC is protected from power outages with an uninterruptible power supply (UPS), a battery system, and a back-up generator. This equipment will be located on-site at the TRC. In the event of an outside power loss to the center, the battery system and UPS alone will be capable of maintaining power for multiple hours (this may vary depending on load) or up to the time the generator would take over. A long-term generator backup can maintain operations as long as needed, provided that it is refueled periodically. The UPS and back-up generator set will support all critical functions at the TRC.

GRSC or its subcontractor, Stellar Nordia, will perform regular maintenance and testing of this equipment to ensure availability of this alternate power source in the event of a power failure at the TRC.



## Call Recognition

One of the key factors in providing quality relay service is the ability of the provider to quickly and accurately recognize incoming calls. The relay platform will be designed to minimize the time required to respond to user calls and to automatically recognize and route incoming calls to the appropriate communications assistant ("CA") or call center.

The Tennessee relay console is the CA's primary tool and is designed to assist the CA in the connection process and to ensure a fast, accurate connection. The workstation equipment and software will support a wide range of TTYs including all manufacturers' models that may be utilized throughout the State of Tennessee.

The relay call center's software system will handle calls at the relay console, provide billing processing, and will handle overall call center traffic management. All of the relay equipment will be capable of receiving Baudot, ASCII and Turbo codes, and can automatically identify incoming calls as Baudot, ASCII or Turbo. The equipment will automatically adapt to the signal of the user, regardless of whether the user calls the TTY number or the voice number to reach the relay center.

At any point in the call, the CA will have the ability to override the console and change the connection parameters should this be required.

***5.2.4.3: The Proposer must provide a comprehensive narrative, captioned "Project Management," that illustrates how the Proper will manage the project, ensure completion of the scope of services, and accomplish required objective within the State's project schedule***

Response: GRSC is acquiring all of the institutional experience and equipment of Verizon's TRS business. Consequently, GRSC adopts Verizon's response to this section of the RFP.

***5.2.4.4: The relay center(s) shall be physically located in the State of Tennessee. However, to save costs, the Proposer may shift off-peak calls to another TRS relay center, as is presently being done in Tennessee. A description of the method of relay call transfer to another relay center during off-peak hours, including the identification of the time of day when calls may transferred, shall be described in the Technical Approach of the Proposal***

Response: GRSC is acquiring all of the institutional experience and equipment of Verizon's TRS business. Consequently, GRSC adopts Verizon's response to this section of the RFP.

***5.2.4.5: The Proposer must provide a description of the telecommunications trunks, switches, cables or lines to be connected to the TRC, including their proposed locations. A design or diagram to illustrate the network configuration to be used to provide TRS, including the way callers will access the service and the way the provider will process the traffic, shall be provided. The Proposer must explain and illustrate how it will satisfy the FCC requirement of access to the interexchange carriers (IXCs) of choice. In addition, the routing of off-peak traffic should be explained, if applicable***

Response: GRSC is acquiring all of the institutional experience and equipment of Verizon's TRS business. Verizon has provided GRSC with an updated response to this section of the RFP, which addresses changes that have occurred since Verizon submitted its response to the RFP. Consequently, GRSC adopts the following updated response to this section of the RFP.

#### Carrier of Choice

The relay system will be designed to accommodate Carrier of Choice ("CoC") requests, and GRSC is dedicated to ensuring the Tennessee intrastate TRS users are afforded the same calling options as voice telephone users, including the selection of a preferred IXC. GRSC will provide CoC ability on the same basis that Verizon provides it today.

Tennessee intrastate TRS users can identify their CoC either by pre-selecting the carrier via a caller profile or by direct request to the CA at the beginning of each call, prior to placing the outbound call.

At the beginning of any call, the Tennessee intrastate TRS user may override a pre-selected CoC. If the caller does not have a Carrier specified in his or her caller profile and does not communicate a specific carrier to the CA, a default carrier will be supplied.

***5.2.4.6: The Proposer must describe hiring and training procedures for Communications Assistants ("CAs"): how they are to be selected, screened and trained, as well as the procedures to be utilized to assure objectivity, sensitivity to the communicatively disabled, and the confidentiality necessary to properly relay calls. The Proposer shall specify corporate disciplinary procedures that shall assure CA standards are maintained. The Proposer shall describe how many CAs will work under each supervisor in Tennessee and at what call volumes the number of supervisors and CAs would change***

Response: GRSC is acquiring all of the institutional experience and equipment of Verizon's TRS business. Verizon has provided GRSC with an updated response to this section of the RFP, which addresses changes that have occurred since Verizon submitted its response to the RFP. Consequently, GRSC adopts the following updated response to this section of the RFP.

GRSC views the role of the CA as one of the most important components of its TRS offerings. As the primary contact between GRSC's services and Tennessee intrastate TRS users, CAs must exhibit exceptional professionalism, typing and voice skills, and ethical standards. Because of the critical nature of this role, GRSC follows rigorous standards for both the hiring and the training of its CAs. The following information details the procedures and steps that are taken to ensure that GRSC's CAs provide the best in TRS to its customers.

#### Staffing Criteria

GRSC will initially staff the TRC at a level commensurate with current call volumes for Tennessee-specific TRS traffic. GRSC will ensure that call volumes are monitored and that CA head counts are adjusted as necessary to effectuate the appropriate handling of all calls.

#### Hiring Procedures

GRSC and its subcontractor will utilize a relay-specific program to pre-screen all CA applicants. This system of questions was carefully developed to screen applicants for their past work history, their typing, grammar and spelling skills, and their suitability to the TRS environment. This interview package was designed to identify candidates that meet the skill requirements as well as the strict confidentiality and ethical standards applied by GRSC to their TRS operations.

Pre-screening automated tests are administered to gauge an applicant's typing, spelling, grammar, and voicing skills.

- Typing Tests: The typing test is computerized and evaluated against a standard of 60 words per minute. The test is designed to test both visual and audio (dictation) typing skills. The software automatically evaluates the test for both speed and accuracy. An Interview Administrator validates the typing test results.
- Spelling and Grammar: GRSC recognizes the need to employ non-biased, validated grammar and spelling testing and its testing materials are standard entry-level college exams. The Interview Administrator will verify the results. An 80% accuracy rate is required to achieve a passing score on the exams.
- Voicing: Applicants are additionally screened for their voicing abilities with attention paid to clarity of diction and application of appropriate voice tones. Candidates are required to voice an assortment of possible scenarios they may encounter on a TRS call, including some they may find objectionable or uncomfortable. Only candidates who clearly and accurately voice the examples while applying appropriate voice tone and inflection receive a favorable rating.

If an applicant scores favorable ratings on the above tests, an Interview Administrator will conduct a screening that covers 3 critical "clusters" of professional experience and personality including:

- Cultural Awareness: Applicants need to recognize and appreciate cultural differences and how those differences influence goals and interests.
- Self-Discipline: This includes maintaining focus on the job at hand and the ability to follow strict policies and procedures.
- Technical/Functional: This includes all of the technical skill required to fulfill the position including appropriate typing speed, knowledge of spelling and grammar, voicing skills, ASL, etc.

Should a candidate pass all required pre-screening as detailed above, they will be admitted to GRSC's two-week CA initial training program. Upon completion of this program, CAs are required to compete another round of testing, including written policy and procedures, typing skills, voicing skills and call processing policies, written forms of ASL, hearing and speech disabilities, cultural awareness, etiquette, ethics, confidentiality, and professional judgment.

### CA Training

GRSC and its subcontractor will provide comprehensive and intensive training to all production floor employees including all CAs and CA Supervisors. This training will include

deaf culture and disability training, the proper handling of all forms of relay (TTY, VCO, HCO, Voice, STS (for those employees who handle STS customers), ASCII, Internet Protocol ("IP") Relay, and VRS), the appropriate handling of special services and situations (including GRSC-offered enhanced services), emergency call protocol and procedures, and use of Directory and Operator Services. GRSC has included a comprehensive training plan that lists each workshop provided to all CAs.

GRSC and its subcontractor will utilize a variety of teaching styles and techniques, including lectures, demonstration, video, overhead projections, group activity, interactive games and quizzes, peer presentations, and hands-on experience (both simulated and live relay calls) in the new hire CA training program. Among the class topics covered is an extensive section relating to call handling policies and procedures. This in-depth class provides practice to ensure fast, efficient handling of the variety of call types that CAs face in the day to day handling of relay calls.

The new hire training program will be conducted over multiple weeks and will include:

- 80 hours classroom training
- 15 hours dedicated to deaf culture, ASL, and ASL Gloss training
- 13.5 hours of practice calls
- One week on-the-job training

Training covers all aspects of CA responsibilities with specific segments dedicated to:

- TRS ethics and confidentiality
- Call processing of all possible relay call types
- All aspects of available billing
- Emergency situations
- Customer relations management

The customized on-site classroom training for all new hires include side-by-side monitoring of experienced CAs or CA Supervisors taking live calls. Within the classroom, trainees train and practice on hardware and software identical to that which they will be using on the production floor. As noted above, this classroom time includes more than 10 hours of practice call sessions. The training area is equipped with all types of equipment that CAs may encounter when handling calls: TTYs (general and specialized, such as the Ameriphone VCO phone), answering machines, voice mail and other automated systems. The new hire training program also involves processing mock relay calls to and from each type of equipment using a variety of call scenarios, e.g., VCO, HCO, VCO to VCO, answering machines, voice mail and automated response systems, etc. Trainees that have completed the initial two-week classroom training period are also allowed to utilize the training equipment to continue practicing and improving their call handling skills during their regularly scheduled work hours, provided that it does not interfere with the call center's ability to promptly handle production call traffic.

After they are certified, newly-hired CAs will spend additional time taking TRS calls in an on-the-job training program. After successfully completing the intensive new hire training program, CAs are ready to begin taking TRS calls.

#### Ongoing Skills Assessment

GRSC and its subcontractor will provide regular supplemental training and testing for all CAs. On-going training topics will be selected based on the following factors:

- Areas of opportunity identified by performance evaluation
- Customer feedback
- New policies or protocol
- Regular refresher training focusing on a variety of topics

In addition to these factors, CAs receive on-going supplemental training on skills and knowledge that GRSC considers fundamental to relay service. Training topics include:

- Spelling and grammar
- Confidentiality and ethics
- ASL gloss and grammar
- Deaf culture
- Needs of speech-disabled, late-deafened and hard-of-hearing users
- Handling emergency calls
- Stress management and sensitivity

To ensure that all CAs maintain a typing speed of at least 60 words per minute, there will be regular periodic testing of CAs.

#### Quality Assurance Monitoring

GRSC and its subcontractor are committed to quality and maintain quality assurance programs to measure CA skills in all call modalities and situations. Trained teams of quality specialists will place a minimum of 150 scripted test calls to randomly selected CAs each month. Scripts will be designed to reflect realistic TRS conversations, including personal and business calls. Scripts will be designed to measure distinct call handling skills, including typing. Quality assurance teams will write scripts that include medical, legal, and technical language, as well as a variety of emotionally charged scenarios to test the CAs spelling, grammar, voicing and detachment skills. No actual relay calls will be recorded or stored for evaluation.

The quality assurance programs will be designed to gauge the level of performance of the CAs handling TRS calls. Federal law allows for quality monitoring. Since both the "caller" and the "called party" are role-playing while making the quality assurance calls, no notification of a call being monitored is required.

***5.2.4.7: The Proposer must provide a complete description of how the end users and provider compensation billing records will be created and maintained, how TRC usage***

*reports and consumer complaint reports will be created, and how annual and monthly reports required by this RFP will be prepared. A sample fictitious report of each type of information requested, as described herein, may be submitted in lieu of generalized descriptions.*

Response: GRSC is acquiring all of the institutional experience and equipment of Verizon's TRS business. Consequently, GRSC adopts Verizon's response to this section of the RFP.

*5.2.4.8: The Proposer must submit a description of plans for future advertising, promotion, and outreach of the TRC. This plan may include media strategy, sample materials, and any information deemed pertinent by the Proposer.*

Response: GRSC is acquiring all of the institutional experience and equipment of Verizon's TRS business. Consequently, GRSC adopts Verizon's response to this section of the RFP.

*Section 5.25: Detailed Documentation of Proposer Financial Resources. Documentation of sufficient financial strength and resources to provide the scope of services to the state in the volume projected and within the time frames required, which documentation shall include:*

*5.2.5.1: the most recent independent audited financial statements for a fiscal year ended within the last 48 months*

Response: Because it has not yet begun to provide service, GRSC does not yet have any financial statements, audited or otherwise. GoAmerica's most recent audited financial statements, for the year ended December 31, 2006, are included in its 2006 SEC Form 10-K, attached as **Certification App. Exhibit B** to the Certification Application.

*5.2.5.2: the following information detailed as dollar amounts itemized with page references to the independent audited financial statements provided where the amounts may be confirmed (complete Attachment 9.10):*

- current assets;*
- fixed assets;*
- cash*
- inventories;*
- current liabilities; and*
- long-term debt*

Response: See GoAmerica's audited financial statements in its 2006 SEC Form 10-K, attached as **Certification App. Exhibit B** to the Certification Application.

*5.2.5.3: a statement as to whether the audited financial statements provided indicate a going concern disclosure, and if so, and explanation of the going concern disclosure*

Response: Not applicable to GRSC.

*5.2.5.4: documentation regarding whether, and to what extent, there is a positive cash flow from operating activities for the Proposer's current operating period*

Response: Not applicable to GRSC.

### **List of Appendices to RFP Responses**

RFP Appendix A: Attachment 9.1 Certification of Compliance

RFP Appendix B: GoAmerica Form 8-K

RFP Appendix C: Certificate of Insurance



**RFP Appendix A: Attachment 9.1 Certification of Compliance****Attachment 9.1****Certificate of Compliance****RFP # 316.11002****GoAmerica Relay Services Corp.**

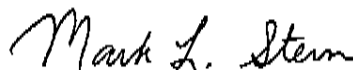
---

**Proposer Name**

By indication of the authorized signature below, the Proposer does hereby make certification and assurance of the Proposer's compliance with:

1. the laws of the State of Tennessee;
2. Title VI of the Civil Rights Act of 1964;
3. the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
4. the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
5. the condition that the submitted proposal was independently arrived at, without collusion, under penalty of perjury; and,
6. the condition that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the procurement under this RFP.

Acknowledged and verified on this 4 day of September, 2007, by Mark L. Stern, in his capacity as TRS Compliance Officer of the Proposer.



---

**Mark L. Stern****GRSC TRS Compliance Officer**

**RFP Appendix B: GoAmerica, Inc. Form 8-K**

**Exhibits to Form 8-K available on SEC website at:**

<http://www.sec.gov/Archives/edgar/data/1101268/000089109207003406/0000891092-07-003406-index.htm>

# GOAMERICA INC

## FORM 8-K (Current report filing)

Filed 8/7/2007 For Period Ending 8/1/2007

Address	C/O GOAMERICA, INC. 433 HACKENSACK AVENUE HACKENSACK, New Jersey 07601
Telephone	201-996-1717
CIK	0001101268
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

Powered By **EDGAR**Online

<http://www.edgar-online.com/>

© Copyright 2006. All Rights Reserved.

Distribution and use of this document restricted under EDGAR Onlines Terms of Use.

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**  
**CURRENT REPORT**  
**PURSUANT TO SECTION 13 OR 15(d) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): August 1, 2007

**GOAMERICA, INC.**

(Exact Name of Registrant as Specified in its Charter)

Delaware	0-29359	22-3693371
-----		
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

**433 HACKENSACK AVENUE, HACKENSACK, NJ 07601**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (201) 996-1717

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR

240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## **Item 1.01 Entry into a Material Definitive Agreement.**

### **Agreement with Verizon:**

As previously announced, Acquisition 1 Corp., a newly formed, wholly owned subsidiary of GoAmerica, Inc. (the "Company" or "GoAmerica"), executed an asset purchase agreement, dated as of August 1, 2007 (the "Asset Purchase Agreement"), with MCI Communications Services, Inc. ("Verizon"), pursuant to which Acquisition 1 Corp. will purchase certain of the assets used by Verizon in providing state relay services, Internet Protocol relay services and/or video relay services (the "Business") and Verizon agrees to not compete in the provision of such services in the U.S. for two years. The assets being transferred or licensed include certain intellectual property that is used in the Business, all data related to end user customers, certain equipment used by the Business as well as promotional and advertising materials, the leases to two call centers, \$6.0 million dollars in working capital and contracts to provide intrastate relay services in California, Tennessee and Washington, D.C. GoAmerica, Inc. is guaranteeing the performance of Acquisition 1 Corp.

The consideration for the transaction is approximately \$50 million, with a potential earn-out of up to an additional \$8 million. The purchase price is structured to include a \$1 million deposit, which was paid at signing, with approximately \$49 million paid upon closing. Closing will occur only after stockholder approval of GoAmerica's acquisition of the Business, and regulatory approvals in California, Tennessee and the District of Columbia, have been obtained.

The earn-out calculates the number of IP relay conversation minutes originated over the first full six months after closing from customers using AOL Instant Messenger ("AIM") service. Verizon will be entitled to additional consideration based upon the percentage of targeted AIM minutes that are achieved, with 12,207,834 being the target. The percentages and amount of earn-out (in millions of dollars) are as follows: 75-79% (\$1); 80-84% (\$2); 85-89% (\$5); 90-94% (\$7); 95-100% (\$8). GoAmerica is not assuming any pre-closing liabilities under the Asset Purchase Agreement. Verizon is indemnifying GoAmerica for up to \$5 million in the event of losses arising from breaches of its representations and warranties, subject to a "basket" of \$1 million. The Asset Purchase Agreement terminates on December 31, 2007, provided, however, that if the only reason the closing has not occurred by such date is that the required regulatory approvals have not been obtained, then GoAmerica has the option of extending the agreement to March 31, 2008.

The Asset Purchase Agreement provides for certain additional business conduct arrangements between Verizon and GoAmerica. Under a Facilities Use Agreement, which will be signed at the closing of the Asset Purchase Agreement, GoAmerica will have a license to locate approximately 50 employees in 17 Verizon business offices for a period of three months after closing. This agreement is for the purpose of facilitating the transition of the relay business from Verizon to GoAmerica. Under a Transition Services Agreement, also to be signed at the closing, Verizon is required to provide certain

telecommunications network, call center, finance and accounting, human resources and related support services to GoAmerica for a period of at least nine months after closing for the purposes of facilitating the transition of the relay business from Verizon to GoAmerica. Thereafter, to the extent GoAmerica desires network or other services from Verizon, the parties will negotiate for such on commercially reasonable terms.

#### **Agreement with Stellar Nordia:**

Acquisition 1 Corp. also entered into a Managed Services Agreement, dated August 1, 2007 (the "MSA"), with Stellar Nordia Services LLC, pursuant to which Stellar Nordia will be assuming facilities, employee and operational responsibilities for the two primary call centers associated with the Business. Stellar Nordia has been serving as a call center contractor for GoAmerica's text relay services since 2005.

The MSA provides that after Acquisition 1 Corp. acquires the Business, Stellar Nordia is to provide inbound call relay services to GoAmerica utilizing Stellar Nordia's proprietary platform and software for the newly acquired traffic from Verizon and for the existing GoAmerica text traffic. In addition, pursuant to a related agreement, Stellar Nordia will agree to assume and operate call centers being acquired under the Asset Purchase Agreement servicing the current (pre-acquisition) Verizon traffic.

The MSA provides that Stellar Nordia will undertake capital expenditures and hiring in preparation for Acquisition 1 Corp.'s acquisition of the Business such that Stellar Nordia will be in a position to service the existing Verizon traffic upon the closing. The MSA also provides for certain fees payable to Stellar Nordia upon the acquiror's early termination of such agreement. GoAmerica, Inc. will fully and unconditionally guarantee the MSA and such agreement will replace GoAmerica's existing agreement with Nordia Inc. upon the closing of the acquisition of the Business.

#### **Transaction Financing and Further Contingent Capital Commitments:**

The transaction with Verizon will be financed through \$35 million of committed equity financing and \$30 million of committed senior debt financing, funded in each case by Clearlake Capital Group, L.P.

GoAmerica and one of the Clearlake funds ("Clearlake") executed a stock purchase agreement, dated as of August 1, 2007 (the "First Stock Purchase Agreement"), pursuant to which Clearlake purchased 290,135 shares of a newly created Series A Preferred Stock of GoAmerica, at a price of \$5.17 per share. In addition, GoAmerica and Clearlake executed a second stock purchase agreement, dated as of August 1, 2007 (the "Second Stock Purchase Agreement"), pursuant to which Clearlake agreed to purchase an additional 6,479,691 shares of Series A Preferred Stock at a price of \$5.17 per share, subject to the satisfaction of certain conditions, upon the closing of the Asset Purchase Agreement, plus up to an additional 2,901,354 shares as described below under "Time-Specific Commitment". GoAmerica and Clearlake also executed an investor rights agreement, dated August 1, 2007 (the "Investor Rights Agreement"), pursuant to which

GoAmerica granted Clearlake certain registration and other rights. Consummation of the issuance of 6,479,691 shares is expected to result in a change of control of GoAmerica.

GoAmerica entered into a Credit Agreement, dated as of August 1, 2007 (the "Credit Agreement"), with the Lenders named therein and Clearlake Capital Group, L.P., as Administrative Agent and Collateral Agent, pursuant to which GoAmerica received a \$1.0 million bridge loan, which may be increased to up to \$3.5 million. Interest on the loan is payable monthly, at the LIBO rate, plus 8%. Interest is payable in cash, except that a portion of the interest equal to 4% will be payable in kind in the form of additional loans. The loan will be repaid upon the closing of the Asset Purchase Agreement, and in any event not later than August 2, 2008. The loan is secured by substantially all of the assets of GoAmerica and its principal subsidiaries and the stock of such principal subsidiaries.

GoAmerica and Clearlake Capital Group, L.P., executed a commitment letter, dated August 1, 2007 (the "First Lien Commitment Letter"), pursuant to which Clearlake committed to loan GoAmerica \$30 million of senior debt to finance the purchase of the Business from Verizon, for the repayment of expenses and working capital purposes and for the repayment of certain of the Company's existing secured debt. The loan, which will close upon the closing of the Asset Purchase Agreement, will bear interest at the rate of LIBOR plus 700 basis points per annum, payable quarterly in arrears. The loan will be secured by the equity interests of GoAmerica's material subsidiaries and by substantially all of the assets of GoAmerica and such subsidiaries. Go America's material subsidiaries will guarantee the repayment of the loan.

#### **Time-Specific Commitment:**

In addition to the \$65 million in committed capital for the Verizon transaction, Clearlake has committed to fund up to an additional \$55 million for investments or acquisitions if requested by GoAmerica's board of directors and further approved by Clearlake by September 14, 2007. If such funding is drawn down, \$15 million could be contributed in exchange for an additional 2,901,354 shares of Series A Preferred Stock at a price of \$5.17 per share, pursuant to the Second Stock Purchase Agreement, and \$40 million could take the form of additional senior borrowings pursuant to a commitment letter, dated August 1, 2007 (the "Second Lien Commitment Letter") between GoAmerica and Clearlake. If the Company has not completed negotiations for any follow-on transactions by September 14, 2007, the commitment of up to an additional \$55 million will expire. The expiration of this commitment would not affect the \$65 million in committed funds for the Verizon transaction.

The issuances of Series A Preferred Stock, other than the issuance of 290,135 shares made concurrently with the execution of the Asset Purchase Agreement with Verizon, are subject to approval by GoAmerica's stockholders.

### **Board Representation:**

In connection with the execution of the agreements described above, GoAmerica has expanded its board of directors and added Behdad Eghbali, one of the founding principals of Clearlake Capital Group, to the board. See Item 5.02 of this Current Report on Form 8-K. Clearlake will designate two additional members to GoAmerica's board of directors upon the closing of the Verizon transaction. Concurrent with Mr. Eghbali's election, the Company agreed to provide Mr. Eghbali with an indemnification agreement comparable to the indemnification agreements furnished to other members of the Board of Directors of GoAmerica.

### **Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

See Item 1.01 above.

### **Item 3.02 Unregistered Sale of Equity Securities.**

See Item 1.01 for a description of the First Stock Purchase Agreement, pursuant to which GoAmerica issued 290,135 shares of Series A Preferred Stock to Clearlake at a price of \$5.17 per share. The shares were issued pursuant to the exemption from registration contained in Section 4(2) of the Securities Act of 1933, as amended. GoAmerica relied on various representations of Clearlake concerning Clearlake's investment intent and sophistication in agreeing to issue the shares. Clearlake received certain registration and other rights with respect to the shares as described in the Investor Rights Agreement.

### **Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.**

In connection with various agreements entered in to by Clearlake Capital Group, L.P. and GoAmerica, Behdad Eghbali, one of Clearlake's founding principals, was appointed to GoAmerica's board of directors, effective August 2, 2007. Clearlake Capital Group is a private investment firm integrating private equity, leveraged finance and special situations in both private and public market opportunities. See Item 1.01 for a description of the agreements entered into by GoAmerica and Clearlake.

### **Item 5.03 Amendments to Articles of Incorporation or By-Laws; Change in Fiscal Year.**

Pursuant to the terms of the First Stock Purchase Agreement, the Board of Directors of GoAmerica authorized the filing of a Certificate of Designations authorizing the issuance of 290,135 shares of Series A Preferred Stock. The shares of Series A Preferred Stock will accrue cumulative cash dividends at the rate of 8% per annum, compounded quarterly from the date of first issuance. Holders of Series A Preferred Stock will also be entitled to receive, during each fiscal year, an amount (if greater than zero) equal to (i) the dividends payable on shares of Common Stock, if any, during such fiscal year (as if the shares of Series A Preferred Stock had been converted into Common



Stock) minus (ii) the amount of the cumulative dividends that have been paid or accrued during that fiscal year. Payment of dividends on the Series A Preferred Stock will be paid in preference to any dividend on the Common Stock.

The holders of Series A Preferred Stock would receive on liquidation an amount equal to \$5.17 per share plus accrued but unpaid dividends.

The Series A Preferred Stock is convertible into Common Stock at an initial per share Conversion Price of \$5.17, subject to adjustment.

GoAmerica may redeem the Series A Preferred Stock at any time on or after the fifth anniversary of the initial issuance date, in whole or in part, for a cash payment of \$5.17 per share, plus accrued and unpaid dividends. On or after the fifth anniversary of the initial issuance date, the holders of the Series A Preferred Stock will be entitled to require GoAmerica to redeem the Preferred Stock.

Pursuant to the First Stock Purchase Agreement, Clearlake is entitled to designate one member to GoAmerica's board of directors. Upon the closing of the Second Stock Purchase Agreement, Clearlake will be entitled to designate another two members to the board.

Holders of the Series A Preferred Stock have demand and piggyback registration rights, as described in the Investor Rights Agreement.

#### **Item 9.01. Financial Statements and Exhibits.**

##### **(d) Exhibits**

The following exhibits are filed with this Current Report on Form 8-K:

Exhibit 3.1	GoAmerica, Inc.'s Restated Certificate of Incorporation, including the Certificate of Designations for the Series A Preferred Stock
Exhibit 10.1	Asset Purchase Agreement, dated as of August 1, 2007, between Acquisition 1 Corp. and MCI Communications Services, Inc.
Exhibit 10.2	Managed Services Agreement, dated August 1, 2007, between Acquisition 1 Corp. and Stellar Nordia Services LLC
Exhibit 10.3	Stock Purchase Agreement, dated as of August 1, 2007, between GoAmerica, Inc. and the Investors named therein, for 290,135 shares of Series A Preferred Stock
Exhibit 10.4	Stock Purchase Agreement, dated as of August 1, 2007, between GoAmerica, Inc. and the Investors named therein, for up to 9,381,045 shares of Series A Preferred Stock

Exhibit 10.5	Credit Agreement, dated as of August 1, 2007, among GoAmerica, Inc., the Lenders named therein and Clearlake Capital Group, L.P., as Administrative Agent and Collateral Agent
Exhibit 10.6	Investor Rights Agreement, dated as of August 1, 2007, between GoAmerica, Inc. and the other parties named therein
Exhibit 10.7	Guarantee and Collateral Agreement, dated as of August 1, 2007, among GoAmerica, Inc., certain Subsidiaries of the Borrower and Clearlake Capital Group, L.P., as Collateral Agent
Exhibit 10.8	Guarantee, dated as of August 1, 2007, by GoAmerica, Inc. in favor of MCI Communications Services, Inc.
Exhibit 10.9	Guarantee, dated as of August 1, 2007, by GoAmerica, Inc. in favor of Stellar Nordia Services LLC
Exhibit 99.1	First Lien Commitment Letter, dated August 1, 2007, between GoAmerica, Inc. and Clearlake Capital Group, L.P.
Exhibit 99.2	Second Lien Commitment Letter, dated August 1, 2007, between GoAmerica, Inc. and Clearlake Capital Group, L.P.

## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### **GOAMERICA, INC.**

*By: /s/ Wayne D. Smith*

-----  
*Wayne D. Smith*  
*Executive Vice President, General*  
*Counsel and Secretary*

*Dated: August 7, 2007*

## **RFP Appendix C: Certificate of Insurance**

**ACORD™ CERTIFICATE OF LIABILITY INSURANCE**DATE (MM/DD/YYYY)  
08/07/07

<b>PRODUCER</b> <b>Maloy Risk Services</b> <b>100 Village Blvd Suite 200</b> <b>Princeton, NJ 08540-7104</b> <b>609 987-0221</b>	<b>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.</b>	
<b>INSURED</b> <b>GoAmerica, Inc.</b> <b>433 Hackensack Avenue</b> <b>Hackensack, NJ 07601</b>	<b>INSURERS AFFORDING COVERAGE</b> INSURER A: <b>Hartford Fire Insurance Co.</b> INSURER B: <b>Hartford Casualty Insurance Company</b> INSURER C: <b>Hartford Accident and Indemnity</b> INSURER D: INSURER E:	<b>NAIC #</b>

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
<b>A</b>		<b>GENERAL LIABILITY</b>	<b>13UUNAF9000</b>	<b>05/15/07</b>	<b>05/15/08</b>	EACH OCCURRENCE	<b>\$1,000,000</b>
	<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	<b>\$300,000</b>
	<input type="checkbox"/>	CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	<b>\$10,000</b>
	<input type="checkbox"/>					PERSONAL & ADV INJURY	<b>\$1,000,000</b>
	<input type="checkbox"/>					GENERAL AGGREGATE	<b>\$2,000,000</b>
	<input type="checkbox"/>	GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG	<b>\$2,000,000</b>
	<input type="checkbox"/>	POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					
<b>A</b>		<b>AUTOMOBILE LIABILITY</b>	<b>13UUNAF9000</b>	<b>05/15/07</b>	<b>05/15/08</b>	COMBINED SINGLE LIMIT (Ea accident)	<b>\$1,000,000</b>
	<input type="checkbox"/>	ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/>	ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input checked="" type="checkbox"/>	HIRED AUTOS				PROPERTY DAMAGE (Per accident)	\$
	<input checked="" type="checkbox"/>	NON-OWNED AUTOS					
		<b>GARAGE LIABILITY</b>				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/>	ANY AUTO				OTHER THAN EA ACC	\$
	<input type="checkbox"/>					AUTO ONLY: AGG	\$
<b>B</b>		<b>EXCESS/UMBRELLA LIABILITY</b>	<b>13RHUAF8956</b>	<b>05/15/07</b>	<b>05/15/08</b>	EACH OCCURRENCE	<b>\$4,000,000</b>
	<input checked="" type="checkbox"/>	OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	<b>\$4,000,000</b>
	<input type="checkbox"/>	DEDUCTIBLE					\$
	<input checked="" type="checkbox"/>	RETENTION \$ <b>0</b>					\$
	<input type="checkbox"/>						\$
<b>C</b>		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>	<b>13WBRC3969</b>	<b>01/03/07</b>	<b>01/03/08</b>	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	<b>\$1,000,000</b>
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	<b>\$1,000,000</b>
		OTHER				E.L. DISEASE - POLICY LIMIT	<b>\$1,000,000</b>

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS**

**Normandy Real Estate Management LLC; MSNW Continental Associates LLC: Barclays Capital Real Estate Inc.; David T Welsh; Francis X. Wentworth Jr, are hereby included as Additional Insured their interest may appear as respects the insured's operations.**

**CERTIFICATE HOLDER**

**Normandy Real Estate Mangement**  
**401 Hackensack Avenue - Lower**  
**Lobby**  
**Hackensack, NJ 07601**

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*RA Maloy, Jr.*

## **IMPORTANT**

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

## **DISCLAIMER**

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

## **Joint Petition Exhibit C: Asset Purchase Agreement**

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “Agreement”) is entered into as of August 1, 2007, by and between MCI COMMUNICATIONS SERVICES, INC., a Delaware corporation (“Seller”), and ACQUISITION 1 CORP., a Delaware corporation (“Buyer”; each of Buyer and Seller shall be referred to from time to time as a “Party” and collectively as the “Parties”).

RECITALS

This Agreement is entered into in recognition of the following facts and circumstances:

Seller is the owner of certain assets used in the operation by Seller of a business of providing telecommunications relay services, including without limitation any form of state relay services, Internet protocol relay services or video relay services (the “Business”). Buyer wishes to purchase from Seller, and Seller wishes to sell, transfer, assign and convey to Buyer, such assets as hereinafter more fully described and substantially all of Seller’s right, title and interest in and to the Business, upon the terms and conditions set forth in this Agreement.

As of the Closing, Stellar Nordia Services LLC (“Stellar”) will provide Buyer services in connection with the management of the Business. Inasmuch as Stellar expects to employ the majority of the employees employed in the Business, by virtue of employment offers it may make to such employees, and will lease certain call centers from which the Business is operated, the Parties will transition certain aspects of the Business directly from the Seller to Stellar at the Closing pursuant to the Management Services Agreement between Stellar and Buyer which shall be executed concurrent with the execution of this Agreement (or pursuant to the Transition Services Agreement between Stellar and Buyer to be executed on the Closing Date, as contemplated by the Management Services Agreement).

As a condition to Seller’s execution of this Agreement, GoAmerica, Inc., the parent company of Buyer, is executing a Guarantee in the form set forth as Exhibit F to this Agreement.

In consideration of the premises, and of the mutual promises and agreements herein contained, and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE I  
DEFINITIONS

1.1 Definitions. The terms set forth below shall have the following meanings in this Agreement:

“Affiliate” means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person, and “control”, “controlling” or “controlled” as to any Person shall mean the power, whether exercised directly or through one or more intermediates, to direct or cause the direction of the management and policies of such Person, whether through the majority ownership of voting securities, by contract or otherwise.

“Agreement” is defined in the Preamble.



“AIM Measurement Period” is defined in Section 2.5(a).

“AIM Minutes” is defined in Section 2.5(a).

“Ancillary Documents” means, in each case, between the Buyer or its designee and the Seller or its designee, the Bill of Sale, the Assignment and Assumption Agreement, the Commercial Services Agreement, the IP License Agreement, the Transition Services Agreement, and the Facilities Use Agreement.

“Asserted Liability” is defined in Section 8.4.1.

“Assignment and Assumption Agreement” is defined in Section 3.2.1(c).

“Assumed Closing Date Net Working Capital” is defined in Section 2.4.2(a).

“Assumed Liabilities” is defined in Section 2.2.

“Base Purchase Price” is defined in Section 2.4.1.

“Benefit Maintenance Period” is defined in Schedule 7.1.

“Bill of Sale” is defined in Section 3.2.1(b).

“Books and Records” is defined in Section 2.1.1(h).

“Business” is defined in the Recitals.

“Business Day” means any day of the year on which national banking institutions in New York, New York are open to the public for conducting business and are not required or authorized to close.

“Buyer” is defined in the Preamble.

“Buyer Indemnified Party” is defined in Section 8.2.

“Buyer Meeting” means a special or annual meeting of Buyer’s stockholders to be called for the purpose, among other things, of seeking the stockholder approval described in Section 6.1.5.

“Buyer Objection Notice” is defined in Section 2.4.2(b).

“Buyer Plan” is defined in Schedule 7.1.

“Buyer’s FSA” is defined in Schedule 7.1.

“Carve-Out Financial Statements” is defined in Section 5.4.

“Claim Notice” is defined in Section 8.4.1.

“Closing” is defined in Section 3.1.

“Closing Date” is defined in Section 3.1.

“Closing Date Net Working Capital” is defined in Section 2.4.2(a).

“Closing Date Net Working Capital Schedule” is defined in Section 2.4.2(b).

“Closing Payment” is defined in Section 3.2.2(a).

“Code” means the Internal Revenue Code of 1986, as amended.

“Commercial Services Agreement” means an agreement to be entered into at Closing between Buyer or Stellar and Seller or an Affiliate of Seller, providing for the provision of certain commercial services by Seller and/or its Affiliates after the Closing, which agreement will incorporate the services and pricing terms set forth in Exhibit B.

“Commitment Letters” is defined in Section 4.2.6.

“Competing Business” is defined in Section 7.4.1.

“Contract” means any Customer Contract, Equipment Lease, Facilities Lease, Service Contract or Vendor Contract.

“Conversation Minute” means a minute of use for a completed interstate or intrastate TRS call placed through a TRS center beginning after call set-up and concluding after the last message call unit.

“Customer Contract” is defined in Section 2.1.1(e).

“Deposit” is defined in Section 2.4.1.

“Dispute Resolution Request” is defined in Section 2.4.2(c) and Section 2.5(f).

“Earn-Out” shall mean an amount of up to eight million dollars (\$8,000,000.00) in cash, to be paid by Buyer to Seller as additional consideration for the Purchased Assets as provided herein. The Earn-Out shall be in addition to the Purchase Price.

“Employee Liabilities” means accrued but unpaid liabilities for vacation and sick leave in respect of the Transferred Employees as of the Closing Date, except that with regard to Transition Employees who become Transferred Employees, “Employee Liabilities” shall mean accrued but unpaid liabilities for vacation and sick leave as of the date such employee begins employment with Buyer or Stellar.

“Equipment Lease” is defined in Section 2.1.1(c).

“ERISA” is defined in Section 4.1.14.

“Excluded Assets” is defined in Section 2.1.4.

“Excluded Contract” is defined in Section 2.1.3.

“Excluded Marks” is defined in Section 2.1.4(h).

“Facilities” is defined in Section 2.1.1(b).

“Facilities Lease” is defined in Section 2.1.1(b).

“Facilities Use Agreement” means an agreement to be entered into at Closing between Buyer and Seller or an Affiliate of Seller providing for the use by Buyer after the Closing of certain of the Shared Facilities, such agreement to be in the form and substance of the agreement annexed hereto as Exhibit A.

“Financing Agreements” is defined in Section 4.2.6.

“Fixed Asset” is defined in Section 2.1.1(a).

“GAAP” means generally accepted United States accounting principles, consistently applied.

“Governmental Consents” is defined in Section 4.1.10.

“Governmental Entity” means any government or any agency, bureau, board, commission, court, department, official, tribunal or other instrumentality of any government, whether federal, state, provincial, territorial or local, domestic or foreign, that has, in each case, jurisdiction over the matter in question.

“In-Scope Employee” is defined in Schedule 7.1.

“Intellectual Property” means all Statutory Intellectual Property and Non-Statutory Intellectual Property.

“IP License Agreement” is defined in Section 2.1.2.

“Law” is defined in Section 4.1.9.

“Licensed Intellectual Property” is defined in Section 2.1.2.

“Lien” means any lien, pledge, charge, mortgage, hypothecation, deed of trust, security interest or other encumbrance.

“Losses” is defined in Section 8.2.

“Management Services Agreement” means an agreement entered into between Buyer and Stellar whereby Stellar will provide services to Buyer and which contemplates that pursuant to a separate agreement a substantial portion of the employees employed in the Business shall be offered employment by Stellar. A summary of the terms of the Management Services Agreement is annexed hereto as Exhibit C.

“Material Adverse Effect” means any change, effect, event, occurrence, condition or development or state of facts that is materially adverse to the assets, liabilities, customer or supplier relationships, financial condition, operations or results of operations of the Business; provided, however, in each case, not including any change, effect, event, occurrence, condition or development or state of facts that (A) is generally applicable to the U.S. economy, (B) is generally applicable to the industry in which the Business operates (including without limitation any revision of rates by NECA), (C) results from the execution of this Agreement, the announcement of this Agreement, the consummation of the transactions contemplated hereby, the identity of Buyer or any breach by Buyer of any provision hereof, or (D) relates to changes in generally accepted accounting principles generally applicable to companies engaged in a business which is the same as or similar to the Business occurring after the date of this Agreement.

“Material Contract” means any of the Customer Contracts and the Facilities Leases.

“NECA” is defined in Section 2.1.1(f).

“Net Working Capital” means the sum of: (x) all Trade Receivables, plus (y) prepaid expenses related to marketing, minus (z) Employee Liabilities.

“Non-Disclosure Agreement” is defined in Section 5.8.

“Non-Statutory Intellectual Property” means all unpatented inventions (whether or not patentable), trade secrets, know-how and proprietary information, including but not limited to (in whatever form or medium), discoveries, ideas, formulas, drawings, designs, plans, proposals, specifications, processes, procedures, data, information, manuals, reports, financial, marketing and business data, and pricing and cost information, correspondence and notes, and any rights or licenses in the foregoing which may be granted without the payment of compensation or other consideration to and without the consent of any Person; provided, however, that, notwithstanding anything to the contrary, the definition of “Non-Statutory Intellectual Property” shall not include any Statutory Intellectual Property.

“Non-Transferred Employee” is defined in Schedule 7.1.

“Order” is defined in Section 4.1.5.

“Party” is defined in the Preamble.

“Permitted Lien” means, other than any Lien that individually or together with other Liens materially detracts from the value of the Business, any (i) Lien for Taxes; (ii) mechanics’, materialmen’s, carriers’, workers’, repairers’ and statutory lien or right in rem or other similar Lien arising or incurred in the ordinary and usual course of business that do not arise out of a current, pending, or threatened dispute known to Seller; (iii) zoning, entitlement or other land use or environmental regulation by Governmental Entities; (iv) easement, covenant, condition, restriction, agreement, state of fact, right of way or other matter or encumbrance of record or identified in the title reports made available to Buyer; (v) lease or sublease to third party tenants; (vi) Lien that does not materially interfere with the operation of the Business as currently

conducted; and (vii) Lien giving effect to a lessor's or licensor's interest in personal property leased or licensed to the Seller.

"Person" means an association, a corporation, an individual, a partnership, a limited liability company, an unlimited liability company, a limited liability partnership, a trust or any other entity or organization.

"Plan" is defined in Section 4.1.14.

"Price Allocation" is defined in Section 2.6.

"Proceeding" is defined in Section 4.1.5.

"Property Taxes" is defined in Section 2.7(a).

"Proxy Statement" is defined in Section 5.5.1.

"Purchase Price" is defined in Section 2.4.1.

"Purchased Assets" is defined in Section 2.1.1.

"Retained Liabilities" is defined in Section 2.3.

"Retained Minutes" is defined in Section 2.5(b).

"Retained Minutes Percentage" is defined in Section 2.5(b).

"SEC" is defined in Section 5.4.

"Seller" is defined in the Preamble.

"Seller Indemnified Parties" is defined in Section 8.3.

"Seller Objection Notice" is defined in Section 2.5(e),

"Seller's FRP" is defined in Schedule 7.1.

"Service Contract" is defined in Section 2.1.1(a).

"Shared Facilities" is defined in Section 4.1.4(b).

"Standard Procedure" is defined in Schedule 7.1.

"Statutory Intellectual Property" means all (i) United States and foreign patents and patent applications of any kind, (ii) United States and foreign works of authorship, mask-works, copyrights, and copyright and mask work registrations and applications for registration, (iii) Trademarks, and (iv) any rights or licenses in the foregoing.

"Stellar" is defined in the Recitals.

“Tax” means all U.S. federal, state, local, county, provincial, foreign or other taxes, customs, tariffs, imposts, levies, duties, government fees or other like assessments or charges of any kind, including, without limitation, all income, franchise, gross receipts, sales, use, ad valorem, transfer, license, recording, employment (including federal and state income tax withholding, backup withholding, FICA, FUTA or other payroll taxes), environmental, excise, severance, stamp, occupation, premium, prohibited transaction, property, value-added, net worth, or any other taxes and any interest, penalties and additions imposed with respect to such amounts.

“Tax Return” means any return, report or statement required to be filed with respect to any Tax (including any attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated Tax, and including, where permitted or required, combined, consolidated or unitary returns for any group of entities that includes Seller, any of the Subsidiaries, or any of their Affiliates.

“Termination Date” is defined in Section 9.1(a).

“Third Party Contractual Consents” is defined in Section 4.1.10.

“Third Party Intellectual Property” means any Intellectual Property that is not owned by Seller or its Affiliates as of the Closing Date.

“Trade Payables” is defined in Section 2.2.

“Trade Receivables” is defined in Section 2.1.1(f).

“Trademarks” means all trademarks, service marks, trade names, Internet domain names, logos, slogans, and other similar source identifiers, together with all registrations and applications for any of the foregoing.

“Transferred Employee” is defined in Schedule 7.1.

“Transferred Intellectual Property” is defined in Section 2.1.1(g).

“Transition Employee” is defined in Schedule 7.1.

“Transition Services Agreement” means an agreement to be entered into at Closing between Buyer and Seller or an Affiliate of Seller providing for the provision of services by Seller and/or its Affiliates to Buyer, such agreement to be in the form and substance of the agreement annexed hereto as Exhibit E.

“True-Up” is defined in Section 2.4.2(a).

“Vendor Contract” is defined in Section 2.1.1(d).

1.2 Interpretation. For purposes of this Agreement, unless a different intention is stated, a reference to:

(a) a “Recital,” “Article,” “Section,” “Exhibit” or “Schedule” is a reference to a recital, article, section, exhibit or schedule of this Agreement;

(b) “Agreement” includes any Recital to this Agreement, and words such as “herein,” “hereinafter,” “hereof,” “hereto”, and “hereunder” refer to this Agreement as a whole, unless the context otherwise requires;

(c) words importing the plural shall include the singular and vice versa, and the use of any gender shall include the other gender;

(d) any heading is to be ignored in construing this Agreement; and

(e) the use of “include” or “including” shall mean without limitation by reason of enumeration and shall not be interpreted restrictively.

## ARTICLE II TRANSFER OF ASSETS

### 2.1 The Purchased Assets.

2.1.1 Assets. Upon the terms and subject to the conditions contained herein, at the Closing (except as otherwise noted below), Seller shall grant, sell, convey, assign, transfer and deliver to Buyer (or at Buyer’s option, to one or more of its designated Affiliates, as specified in writing to Seller at or prior to the Closing) upon the terms and subject to the conditions of this Agreement and free and clear of all Liens except for Permitted Liens, all right, title and interest of Seller in and to the following assets, properties and rights of Seller and no others (collectively, the “Purchased Assets”):

(a) All of the equipment, furniture, furnishings, fixtures, computers and other office equipment and supplies and other tangible personal property listed on Schedule 2.1.1(a) (the “Fixed Assets”) (provided that the assets noted as “Post-Transition” in the “Notes”) column of such schedule shall be retained by Seller during the term of the Transition Services Agreement and shall be transferred to Buyer at the end of such term), and, to the extent assignable without consent of the vendor party thereto or subject to the last sentence of Section 2.1.3, all contracts for maintenance or servicing of the Equipment listed on Schedule 2.1.1(a) (the “Service Contracts”);

(b) All rights of Seller as of the Closing Date as lessee under the real property leases (the “Facilities Leases”) for the call center facilities and the research and development facility (collectively, the “Facilities”) listed on Schedule 2.1.1(b);

(c) All rights of Seller as of the Closing Date under the leases for equipment listed on Schedule 2.1.1(c) (the “Equipment Leases”); and

(d) All rights of Seller under its contracts and purchase orders with vendors listed on Schedule 2.1.1(d) for goods or services to be used in the Business (the “Vendor Contracts”);

(e) All rights of Seller under its contracts with customers of the Business listed on Schedule 2.1.1(e) (the “Customer Contracts”);

(f) All of Seller’s trade accounts receivable (including unbilled amounts for services rendered through and including the Closing Date) from State Telecommunications Relay Services agencies, the National Exchange Carrier Association (“NECA”), all other quasi-Governmental Entities and Customer Contracts existing as of the Closing Date (and any causes of action relating to such receivables), excluding accounts receivable from Affiliates of Seller (the “Trade Receivables”);

(g) All rights in and to the Intellectual Property identified on Schedule 2.1.1(g) under the heading “Transferred Intellectual Property” (the “Transferred Intellectual Property”);

(h) Copies of all books and records directly related to the operation of the Business, subject to reasonable redactions to exclude information that relates to areas of Seller’s business other than the Business (the “Books and Records”);

(i) All data maintained by Seller in the ordinary course of business relating to all current customers and users of the services provided by the Business including account information associated with customer accounts involving the use of passwords;

(j) All Governmental Entity franchises, permits, licenses, agreements, certifications, waivers and authorizations held or used by Seller or any of its Affiliates in connection with, or required for, the Business to the extent transferable;

(k) All of Seller’s promotional and advertising materials relating primarily to or necessary for the conduct of the Business as presently conducted; and

(l) Any and all goodwill of Seller relating to the Business.

2.1.2 Licensed Intellectual Property. At the Closing, Seller shall license or cause to be licensed to Buyer, and Buyer shall license from Seller or Seller’s Affiliates pursuant to an Intellectual Property License Agreement, such agreement to be in the form and substance of the agreement annexed hereto as Exhibit D (the “IP License Agreement”), the Intellectual Property identified on Schedule 2.1.1(g) under the heading “Licensed Intellectual Property” (the “Licensed Intellectual Property”). To the extent that any Intellectual Property owned by Seller as of the Closing Date is or would be infringed in the conduct of the Business as it exists on the Closing Date (other than Intellectual Property used in the provision of services pursuant to the Transition Services Agreement, Commercial Services Agreement and/or Facilities Use Agreement), and such Intellectual Property is not identified on Schedule 2.1.1(g), Seller shall license such Intellectual Property to Buyer under the terms of the IP License Agreement as if such Intellectual Property were listed on Schedule 2.1.1(g) under “Licensed Intellectual Property.”

2.1.3 Excluded Contracts. Seller shall use commercially reasonable efforts to obtain all consents, approvals and waivers which are required to be obtained from any Person under any applicable Contract in order to permit the transfer of Seller’s rights under each such



Contract to Buyer. Notwithstanding anything to the contrary herein, Seller shall not be required to transfer to Buyer, and the Purchased Assets shall not be deemed to include, any rights under any Contract if (i) a consent, approval or waiver is required to be obtained from any Person to permit the transfer of Seller's rights under such Contract to Buyer, (ii) such consent does not constitute a Third-Party Contractual Consent set forth on Schedule 4.1.10 and (iii) after Seller has used commercially reasonable efforts to obtain such consent, approval or waiver, such consent, approval or waiver shall not have been obtained (each such Contract, an "Excluded Contract"). In the event that any Excluded Contract requires Seller to perform services after the Closing and the ability to provide such services has been transferred to Buyer pursuant to this Agreement, then Buyer shall either (x) provide such services on Seller's behalf, or (y) provide such services to Seller as may be reasonably required to enable Seller to meet its obligations under such Excluded Contract, and Seller shall remit to Buyer all payments received with respect to such services to the extent provided by Buyer, less Seller's direct allocated costs incurred in connection with providing such services and maintaining such Excluded Contract. In the event that Buyer deems it prudent to obtain similar services as those provided to Seller under any or all of the Excluded Contracts in order to operate the Business after Closing, Seller shall either (a) provide Buyer (or Buyer's designee), at Buyer's expense, with the same benefits of such contract(s) on the same terms or (b) Seller shall reimburse Buyer for any additional costs (above what Buyer would have paid to Seller pursuant to subsection (a)) that Buyer or Buyer's designee incurs after using commercially reasonable efforts to contract for such services. Notwithstanding anything to the contrary in this Agreement, Seller shall keep in full force and effect all Excluded Contracts that are necessary or desirable to operate the Business properly during the transition period contemplated in any of the Ancillary Documents.

2.1.4 Excluded Assets. Notwithstanding anything to the contrary herein, Seller is not granting, selling, conveying, assigning, transferring or delivering to Buyer, and Buyer is not purchasing, any of Seller's right, title and interest in and to the following assets (the "Excluded Assets"):

- (a) All cash on hand and in financial institutions, cash equivalents, marketable securities and bonds;
- (b) Accounts receivable other than the Trade Receivables;
- (c) All federal, state and local income and franchise Tax and Property Tax credits and Tax refund claims with respect to any periods (or portions thereof) ending on or prior to the Closing Date;
- (d) Consideration paid to, and the other rights that accrue or will accrue for the benefit of, Seller under this Agreement;
- (e) Corporate minute books, stock certificate books, stock registers, Tax Returns, books of account and other records having to do with the corporate organization of Seller;

(f) Insurance proceeds payable on account of casualty or liability claims for which Seller may seek recovery under its existing insurance policies with respect to any period (or portions thereof) ending on or prior to the Closing Date;

(g) Except as otherwise provided in Schedule 7.1, any assets of any Plan or book accruals relating to any Plan;

(h) Any Intellectual Property other than the Transferred Intellectual Property, including any rights to use any trademark, trade name, logo or other mark, name or symbolic representation containing the name “Verizon” or “MCI” (collectively, the “Excluded Marks”); and

(i) The assets listed on Schedule 2.1.4.

2.2 Assumption of Liabilities by Buyer or Buyer’s Designee. At the Closing, Buyer and/or Buyer’s designee shall accept and assume, and thereafter be fully responsible for and perform, pay or otherwise discharge, in accordance with the respective terms and subject to the respective conditions thereof, all of the liabilities and obligations of Seller under the Contracts (other than the Excluded Contracts) arising after the Closing (collectively, the “Trade Payables”), as well as all liabilities with respect to Transferred Employees as set forth on Schedule 7.1 as well as all liabilities and obligations arising out of the ownership of the Purchased Assets or the operation of the Business after the Closing, as well as any assessments, claims or liabilities (including interest and/or penalties) for Taxes arising out of, accruing or resulting from the operation of the Business or the use, ownership or operation of the Purchased Assets after the Closing Date. The liabilities and obligations assumed by Buyer pursuant to this Section 2.2 are collectively referred to as the “Assumed Liabilities”.

2.3 Retained Liabilities. Buyer shall not and does not by execution and performance of this Agreement or otherwise (including under theories of successor liability) assume or become liable for any obligations, liabilities or indebtedness of Seller, whether relating to the Business or otherwise, whether known or unknown, due or to become due, asserted or unasserted, accrued or unaccrued, liquidated or unliquidated, absolute, contingent, executory or otherwise, howsoever or whenever arising, that are not expressly assumed by Buyer or Buyer’s designee pursuant to Section 2.2 and Seller shall retain, pay and discharge when due all such obligations, liabilities, and indebtedness (other than the Assumed Liabilities) (the “Retained Liabilities”), including without limitation the following:

(a) Any liabilities, obligations, penalties or damages arising under or from as applicable (i) the Contracts in connection with any breaches or defaults thereunder occurring on or before the Closing Date, including any claims relating to any breaches by Seller of any warranty or representation under any Contracts with respect to services rendered on or before the Closing Date, (ii) any damages, fines, interest or penalties assessed against Seller by any Governmental Entity arising out of acts or omissions occurring on or before the Closing Date, (iii) any infringement by Seller on the rights of others in connection with the Business occurring on or before the Closing Date or (iv) fraud, breach, misfeasance, negligence, strict liability in tort, injury to persons or property or under any other theory relating to the Business occurring on or before the Closing Date;

(b) Any assessments, claims or liabilities (including interest and/or penalties) for Taxes arising out of, accruing or resulting from the operation of the Business, or the use, ownership or operation of the Purchased Assets on or before the Closing Date and/or resulting from the sale, transfer or purchase of the Purchased Assets hereunder, except to the extent otherwise provided in Section 2.7 or Section 10.1;

(c) Any liabilities arising under the Excluded Contracts, except as otherwise provided in Section 2.1.3;

(d) Any liabilities related to any Plan, except as otherwise provided in Schedule 7.1;

(e) Any liabilities related to claims or actions of any kind, including with regard to the payment or nonpayment of bonuses prior to the Closing Date, related to or arising out of the employment or termination by Seller of prior or current employees, including In-Scope Employees; and

(f) Any other liabilities and obligations listed on Schedule 2.3(f).

## 2.4 Consideration.

2.4.1 Purchase Price; Deposit. The aggregate consideration for the Purchased Assets shall be (a) cash in the amount of Fifty Million Dollars (\$50,000,000.00) (the "Base Purchase Price", comprising the Deposit and the Closing Payment), as it may be adjusted pursuant to Section 2.4.2 (as so adjusted, the "Purchase Price"), (b) the Earn-Out, and (c) the assumption of the Assumed Liabilities. Prior to or simultaneously with the execution of this Agreement, Buyer shall pay to Seller a cash deposit (the "Deposit") in the amount of One Million Dollars (\$1,000,000.00) in immediately available United States funds to an account designated by Seller.

## 2.4.2 Net Working Capital Adjustment.

(a) The amount of the Base Purchase Price set forth in Section 2.4.1 was determined, in part, based upon the assumption that the Closing Date Net Working Capital will be Six Million Dollars (\$6,000,000.00) (the "Assumed Closing Date Net Working Capital"). Following the Closing, in accordance with this Section 2.4.2, if applicable, the Purchase Price shall be adjusted to reflect the actual Net Working Capital as of 12:01 a.m. on the Closing Date ("Closing Date Net Working Capital") (provided that any Employee Liabilities which are paid out in cash by Seller or its Affiliates on or after the Closing Date shall not be included in the calculation of Closing Date Net Working Capital). This adjustment process shall be referred to as the "True Up." The True Up shall work as follows: if the Closing Date Net Working Capital is greater than Six Million Dollars (\$6,000,000.00), then the Purchase Price shall be adjusted upward in an amount equal to the dollar amount by which the Closing Date Net Working Capital is greater than Six Million Dollars (\$6,000,000.00). If the Closing Date Net Working Capital is less than Six Million Dollars (\$6,000,000.00), the Purchase Price will be adjusted downward in an amount equal to the dollar amount by which the Closing Date Net Working Capital is less than Six Million Dollars (\$6,000,000.00), provided that any downward adjustment shall be limited to a maximum of Six Million Dollars (\$6,000,000.00). If the amount of the Purchase

Price is adjusted upward from the Base Purchase Price pursuant to this Section 2.4.2, then within ten (10) Business Days after the final determination of the Closing Date Net Working Capital is made hereunder, Buyer shall pay to Seller an amount equal to the amount by which the Purchase Price exceeds the Base Purchase Price. If the amount of the Purchase Price is adjusted downward from the Base Purchase Price, then within ten (10) Business Days after the final determination of the Closing Date Net Working Capital is made hereunder, Seller shall pay to Buyer an amount equal to the amount by which the Purchase Price is less than the Base Purchase Price. For purposes of illustration only, if as of the Closing Date the Trade Receivables are \$7,000,000, the prepaid expenses are \$1,000,000, and the Employee Liabilities are \$500,000, then the Closing Date Net Working Capital would be \$7,500,000, and Buyer would accordingly make an additional payment of \$1,500,000 to Seller.

(b) Within thirty (30) Business Days following the Closing Date, Seller shall prepare and deliver to Buyer a schedule (the “Closing Date Net Working Capital Schedule”) setting forth in reasonable detail (including appropriate supporting documentation) Seller’s good faith determination of the Closing Date Net Working Capital utilizing the same accounting methods, policies, practices, procedures and adjustments as were used in the preparation of the Carve-Out Financial Statements (and otherwise in accordance with GAAP). If Buyer objects to any amount reflected on the Closing Date Net Working Capital Schedule, Buyer must, within twenty (20) Business Days after receipt thereof, give written notice (the “Buyer Objection Notice”) to Seller specifying in reasonable detail Buyer’s objections. Any item included on or omitted from the Closing Date Net Working Capital Schedule to which Buyer does not object in a Buyer Objection Notice shall be deemed to be accepted by Buyer and any amounts included within such item shall be deemed to be final, binding and conclusive. If Buyer does not give a Buyer Objection Notice within such time period, Seller’s determinations of the amounts on the Closing Date Net Working Capital Schedule shall be final, binding and conclusive on the Parties.

(c) With respect to any disputed amounts concerning the Closing Date Net Working Capital Schedule, Buyer and Seller shall meet in person and negotiate in good faith to resolve any such disputes during the ten (10) Business Day period after Seller’s receipt of a Buyer Objection Notice. If Buyer and Seller are unable to resolve all such disputes within such period, then, at the written request of either Party delivered to the other Party (a “Dispute Resolution Request”), each of Buyer and Seller promptly shall appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve the objections raised in the Buyer Objection Notice. Buyer and Seller intend that these negotiations be conducted by experienced business representatives empowered to decide the issues. The business representatives will meet and attempt to resolve the objections raised in the Buyer Objection Notice within ten (10) Business Days after the date on which the Dispute Resolution Request is delivered. If the business representatives resolve the dispute, such resolution will be memorialized in a written settlement and release agreement, executed within five (5) Business Days thereafter. If the business representatives do not resolve the dispute, Buyer and Seller hereby agree to submit the items remaining in dispute for resolution to an independent auditor, which shall be a recognized regional or national accounting firm mutually acceptable to Buyer and Seller. The independent auditor shall, within twenty (20) Business Days after such submission, determine and report to Buyer and Seller upon such remaining disputed items, and such determination shall be final, binding and conclusive on the Parties hereto. Following the retention of the independent auditor and prior to the issuance of the independent auditor’s report,

the Parties agree promptly to provide the independent auditor with any and all documents and information, financial or otherwise, reasonably requested by the independent auditor. Buyer and Seller shall bear equally the fees, costs and expenses of the independent auditor and shall each bear their own fees, costs and expenses in connection therewith.

(d) After delivery of the Closing Date Net Working Capital Schedule, Seller shall provide Buyer and its authorized representatives reasonable access during normal business hours and without significant disruption to the business of Seller or its Affiliates to (1) all Books and Records and employees of Seller and its Affiliates having relevant information concerning the Closing Date Net Working Capital Schedule and (2) all of Seller's accountants who assisted Seller in preparing the Closing Date Net Working Capital Schedule and such accountants' relevant supporting work papers (subject to such reasonable arrangements regarding confidentiality as may be required by such accountants). Seller shall use commercially reasonable efforts to cooperate with such inquiries as Buyer and its authorized representatives shall make with respect to the preparation of the Closing Date Net Working Capital Schedule. Buyer shall provide Seller and its representatives reasonable access during normal business hours, and without significant disruption to the Business, to all books and records and employees of Buyer and its Affiliates having information directly relevant to the Closing Date Net Working Capital Schedule and/or the trial balance and balance sheet required to be prepared pursuant to paragraph (b) of this Section 2.4 and reasonable cooperation and assistance in connection with the preparation of the Closing Date Net Working Capital Schedule and/or such trial balance and balance sheet.

## 2.5 Additional Consideration - Earn-Out.

(a) Certain Definitions. As used herein, "AIM Minutes" means the total number of Conversation Minutes of Internet Protocol Relay service provided using the AOL Instant Messenger service. As used herein, "AIM Measurement Period" means the six-calendar-month period beginning on the first day of the first calendar month following the month in which the Closing occurs; provided, however, that if Seller shall have substantially failed to comply with its covenants pursuant to Section 5.9, then such period shall instead begin on the first day of the third calendar month following the month in which the Closing occurs.

(b) As additional consideration, Buyer shall pay to Seller the Earn-Out. The Earn-Out shall be determined based on the number of AIM Minutes used by Buyer's customers during the AIM Measurement Period (the "Retained Minutes"), and shall be calculated by dividing the aggregate number of Retained Minutes by 12,207,834, with such quotient being expressed as a percentage (such percentage quotient, the "Retained Minutes Percentage"). The Earn-Out payable by Buyer to Seller shall be as follows, with no rounding up or down of percentages:

Retained Minutes Percentage (%)	Amount of Earn-Out to be paid by Buyer
95-100	\$8,000,000 (Eight million dollars)
90-94	\$7,000,000 (Seven million dollars)

85-89	\$5,000,000 (Five million dollars)
80-84	\$2,000,000 (Two million dollars)
75-79	\$1,000,000 (One million dollars)

In order to illustrate the Earn-Out calculation and payment, if the number of Retained Minutes is 10,200,000, then the Retained Minutes Percentage would be 83.55% and the Earn-Out to be paid by Buyer to Seller would be \$2,000,000.

(c) Timing of Earn-Out Payment. Buyer shall deliver payment of the Earn-Out, if any, to Seller, in the same manner and to the same account as the Purchase Price is to be delivered (unless Seller shall have specified an alternate account), along with the calculation of Retained Minutes and supporting documentation, including without limitation Buyer's NECA filings reporting the AIM Minutes for the AIM Measurement Period, no later than twenty (20) Business Days following the end of the AIM Measurement Period.

(d) Maintenance and Operation of AIM Business. Buyer covenants that following the Closing until the termination of the AIM Measurement Period, Buyer will conduct the business of providing Internet Protocol Relay service using the AOL Instant Messenger service in substantially the manner conducted by Seller immediately prior to the Closing (except for implementation of systems to screen or block fraudulent calls and for changes in the ordinary course of business which would not reasonably be expected to result in any diminution of the Retained Minutes), and will in no event cause or permit any deterioration in the quality, efficiency or responsiveness of such service, any reduction in the advertising and promotion of such service, or any denigration of such service. In the event Buyer fails to comply with its covenants under this subsection (d), the amount of the Earn-Out payable to Seller will be fixed at \$8,000,000 (Eight Million Dollars), irrespective of the number of Retained Minutes. In the event of (x) any termination, disruption or deterioration of AOL Instant Messenger service or (y) any disruption of Internet protocol relay service not reasonably under the control of Buyer during the period between the Closing and the termination of the AIM Measurement Period, the amount of Earn-Out will be equitably adjusted to reflect the number of Retained Minutes that would reasonably be expected to have been accrued in the absence of such event.

(e) Seller's Objection Notice. If Seller objects to Buyer's calculation of the Retained Minutes and Earn-Out payment, Seller must, within twenty (20) Business Days after Seller's receipt of the calculation of the Retained Minutes and Earn-Out, give written notice to Buyer specifying in reasonable detail Seller's objections (the "Seller Objection Notice"). Any item included on or omitted from the calculation of the Retained Minutes and Earn-Out to which Seller does not object in a Seller Objection Notice shall be deemed to be accepted by Seller and any amounts included within such item shall be deemed to be final, binding and conclusive. If Seller does not give a Seller Objection Notice within such time period, Buyer's determinations of the Retained Minutes and the Earn-Out shall be final, binding and conclusive on the Parties.

(f) Resolution of Disputed Earn-Out. With respect to any disputed amount concerning the Earn-Out, Buyer and Seller shall meet in person and negotiate in good faith to resolve any such dispute during the ten (10)-Business Day period after Buyer's receipt of a Seller Objection Notice. If Buyer and Seller are unable to resolve any such dispute within such period, then, at the written request of either Party delivered to the other Party (a "Dispute Resolution Request"), each of Buyer and Seller shall promptly appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve the objections raised in the Seller Objection Notice. Buyer and Seller intend that these negotiations be conducted by experienced business representatives empowered to decide the issues. The business representatives will meet and attempt to resolve the objections raised in the Seller Objection Notice within ten (10) Business Days after the date on which the Dispute Resolution Request is delivered. If the business representatives resolve the dispute, such resolution will be memorialized in a written settlement and release agreement, executed within five (5) Business Days thereafter. If the business representatives do not resolve the dispute, Buyer and Seller hereby agree to submit the items remaining in dispute for resolution to an independent auditor, which shall be a recognized regional or national accounting firm mutually acceptable to Buyer and Seller. The independent auditor shall, within twenty (20) Business Days after such submission, determine and report to Buyer and Seller upon such remaining disputed items, and such determination shall be final, binding and conclusive on the Parties hereto. Following the retention of the independent auditor and prior to the issuance of the independent auditor's report, the Parties agree promptly to provide the independent auditor with any and all documents and information, financial or otherwise, reasonably requested by the independent auditor. Buyer and Seller shall bear equally the fees, costs and expenses of the independent auditor and shall each bear their own fees, costs and expenses in connection therewith.

(g) Access to Books. After delivery of the Earn-Out payment and calculation, Buyer shall provide Seller and its authorized representatives reasonable access during normal business hours and without significant disruption to the business of Buyer or its Affiliates to all books, records and employees of Buyer and its Affiliates having relevant information concerning the Retained Minutes. Buyer shall use commercially reasonable efforts to cooperate with such inquiries as Seller and its authorized representatives shall make with respect to the calculation of the Retained Minutes.

(h) Payment of Amounts Not in Dispute. Notwithstanding anything in this Agreement to the contrary, if a Seller Objection Notice has been delivered under subsection (e) above, and the dispute has not been resolved by the payment due date, (i) the amount not in dispute shall be paid as required hereunder and (ii) Buyer shall have no obligation to pay any amount in dispute until twenty (20) Business Days after the date on which the dispute is resolved. Any amount not paid when due shall bear interest at the lesser of (i) prime plus three percent (3%) per annum and (ii) the maximum rate percent allowed by applicable law.

2.6 Purchase Price Allocation. For all Tax purposes, the Purchase Price and the amount of the Assumed Liabilities shall be allocated in the manner set forth in this Section 2.6 (the "Price Allocation"). Buyer shall prepare a proposed allocation in a manner consistent with Section 1060 of the Code and the regulations promulgated thereunder and shall deliver such proposal to Seller for its review and reasonable approval not later than ninety (90) Business Days after the final Purchase Price is determined hereunder. Seller shall notify Buyer of its agreement

to such proposal or of any modifications it wishes to make to such proposed allocation and the basis for such modifications. If Seller proposes any modifications, then Seller and Buyer will attempt in good faith to reach agreement on the Price Allocation prior to the due date for the filing of IRS Form 8594. In the event that Seller and Buyer are unable to agree on the Price Allocation prior to such due date, then each Party will separately file an IRS Form 8594. In the event that Buyer and Seller agree on the Price Allocation (i) each Party agrees to timely file an IRS Form 8594 reflecting the Price Allocation for the taxable year that includes the Closing Date and to make any timely filing required by applicable state or local Law, (ii) such Price Allocation shall be binding on Buyer and Seller for all Tax reporting purposes, (iii) none of Buyer or Seller or any of their respective Affiliates shall take any position inconsistent with such Price Allocation in connection with any Tax proceeding, except to the extent required by applicable Law, and (iv) if any Taxing Authority disputes such Price Allocation, the Party receiving notice of the dispute shall promptly notify the other Party hereto of such dispute, and the Parties hereto shall cooperate in good faith in responding to such dispute in order to preserve the effectiveness of such Price Allocation.

## 2.7 Allocation of Taxes and Expenses.

(a) All state, county and local ad valorem Taxes on the Purchased Assets ("Property Taxes") shall be prorated between Buyer and Seller as of the Closing Date, computed by multiplying the amount of Property Taxes for the fiscal period for which the same are levied by a fraction, the numerator of which is the number of days in such fiscal period up to and including the Closing Date and the denominator of which is the number of days in such fiscal period. In connection with such proration of Property Taxes, in the event that actual Property Tax figures are not available at the Closing Date, proration of Property Taxes shall be based upon the actual Property Taxes for the preceding fiscal period for which actual Property Tax figures are available, and re-prorated when actual Property Tax figures become available. All utility charges, gas charges, electric charges, water charges, water rents and sewer rents, if any, relating to the Purchased Assets shall be apportioned between Buyer and Seller as of the Closing Date, computed on the basis of the most recent meter charges or, in the case of annual charges, on the basis of the established fiscal year.

(b) All prorations and applicable payments to either Party in connection with this Section 2.7 shall be made, insofar as feasible, on the Closing Date, and the Purchase Price shall be adjusted accordingly. During the three-month period subsequent to the Closing Date, Seller shall advise Buyer, and Buyer shall advise Seller, of any actual changes to such prorations, and the Purchase Price shall be increased or decreased, as applicable, at the end of such three-month period. In the event Buyer or Seller shall receive bills after the Closing Date for expenses incurred before the Closing Date that were not prorated in accordance with this Section 2.7 or that were re-prorated in accordance with this Section 2.7, then Buyer or Seller, as the case may be, shall promptly notify the other Party as to the amount of the expense subject to proration and the responsible Party shall pay its portion of such expense (or, in the event such expense has been paid on behalf of the responsible Party, reimburse the other Party for its portion of such expenses).



### ARTICLE III CLOSING

3.1 Closing. Unless this Agreement is terminated pursuant to Section 9.1, the closing (“Closing”) of the transactions contemplated by this Agreement shall take place at a time and place mutually convenient to and agreed to in writing by the Parties, but not later than five (5) Business Days following the satisfaction or waiver of all conditions to the Parties’ obligations to proceed with the Closing as set forth in ARTICLE VI. The date of the Closing is sometimes herein referred to as the “Closing Date”. All transactions at the Closing shall be deemed to have taken place simultaneously.

3.2 Items to be Delivered at Closing. At the Closing and subject to the terms and conditions herein set forth, the Parties shall make the following deliveries:

3.2.1 Deliveries by Seller to Buyer at Closing. Seller shall deliver, or cause to be delivered, to Buyer the following:

(a) A certificate dated as of the Closing Date and executed by the President or Chief Financial Officer of Seller, certifying that the conditions specified in Section 6.1.1 have been fulfilled and a certificate dated as of the Closing Date and executed by the Secretary or an Assistant Secretary of Seller, certifying as to the certificate of incorporation and by-laws of Seller, the resolutions of Seller’s Board of Directors authorizing the sale of assets contemplated hereby and the incumbency of the officers of Seller executing this Agreement and all other agreements contemplated hereby and attaching current copies of such good standing certificates as Buyer shall reasonably request;

(b) A bill of sale and other such assignments, endorsements, and other good and sufficient instruments and documents of conveyance and transfer (collectively, the “Bill of Sale”), in form reasonably satisfactory to Buyer and its counsel, which shall be effective to vest in Buyer all of Seller’s right, title and interest in and to the Purchased Assets, executed by Seller;

(c) An assignment and assumption agreement (the “Assignment and Assumption Agreement”), in form reasonably satisfactory to Buyer and its counsel, whereby Buyer will assume from Seller the due payment, performance and discharge of the Assumed Liabilities, executed by Buyer;

(d) The IP License Agreement, executed by Seller or the appropriate Affiliate of Seller;

(e) The Transition Services Agreement, executed by Seller or the appropriate Affiliate of Seller;

(f) The Facilities Use Agreement, executed by Seller or the appropriate Affiliate of Seller;

(g) The Commercial Services Agreement, executed by Seller or the appropriate Affiliate of Seller;

(h) The Closing Tax Certificate, executed by Seller or the appropriate Affiliate of Seller, signed under penalties of perjury (i) stating that Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate, (ii) providing its U.S. Employer Identification Number and (iii) providing its address, all pursuant to Section 1445 of the Code; and

(i) Such other agreements, documents and instruments as Buyer and its counsel may reasonably request.

3.2.2 Deliveries by Buyer to Seller at Closing. Buyer shall deliver, or cause to be delivered, to Seller the following:

(a) The wire transfer(s) of immediately available United States Dollar funds in the aggregate amount of Forty Nine Million Dollars (\$49,000,000.00) or such other amount as required by any adjustments to the Purchase Price that are made in accordance with the first sentence of Section 2.7(b) (the “Closing Payment”);

(b) A certificate dated as of the Closing Date and executed by the President or Chief Financial Officer of Buyer, certifying that the conditions specified in Section 6.2.1 have been fulfilled and a certificate dated as of the Closing Date and executed by the Secretary or an Assistant Secretary of Buyer, certifying as to the certificate of incorporation and by-laws of Buyer, the resolutions of Buyer’s Board of Directors authorizing the purchase of assets contemplated hereby and the issuance of capital stock contemplated by Section 6.1.5, the resolution of Buyer’s stockholders authorizing the issuance of capital stock contemplated by Section 6.1.5 and the incumbency of the officers of Buyer executing this Agreement and all other agreements contemplated hereby and attaching current copies of such good standing certificates as Seller shall reasonably request;

(c) The Bill of Sale, executed by Buyer,

(d) The Assignment and Assumption Agreement, executed by Buyer;

(e) The IP License Agreement, executed by Buyer;

(f) The Transition Services Agreement, executed by Buyer or Stellar;

(g) The Facilities Use Agreement, executed by Buyer;

(h) The Commercial Services Agreement, executed by Buyer or Stellar; and

(i) Such other agreements, documents and instruments as Seller and its counsel may reasonably request.

3.3 Further Assurances. Each Party will cooperate with the other and execute and deliver to the other Party such other instruments and documents and shall use commercially reasonable efforts to take such other actions as may be reasonably requested from time to time by the other Party as necessary to carry out, evidence and confirm the intended purposes of this Agreement.

3.3.1 In addition to the actions to be taken pursuant to Section 5.1, Seller agrees that it shall (at Buyer's expense) cause to be performed such lawful acts and execute any other documents as Buyer may reasonably request in order for Buyer to obtain the full benefit of this Agreement and to permit Buyer's name to be duly recorded in each office, bureau and tribunal in the appropriate jurisdiction as the registered owner or proprietor of each of the rights hereby assigned. Such instruments and documents shall include, without limitation, affidavits, including affidavits of use, and other documents for filing in such jurisdictions as Buyer may from time to time reasonably request.

3.3.2 To the extent that Seller is not the true, legal owner with the full authority to assign all right, title and interest in any property included in the Transferred Intellectual Property at the time of execution of this Agreement, Seller shall immediately make all efforts to effect the transfer of all right, title and interest in such property to Buyer without delay. This provision includes, but is not limited to, any intellectual property included within the Transferred Intellectual Property that is owned by an Affiliate of Seller.

3.3.3 Seller shall, at any time upon reasonable request, and at Buyer's expense, (i) communicate to Buyer, its successors, assigns or other legal representatives, any facts relating to the Transferred Intellectual Property and the history thereof known to said Seller, (ii) execute all necessary assignment papers to cause the Transferred Intellectual Property to be recorded in the name of Buyer, and (iii) make all rightful oaths and generally do everything necessary or desirable to aid said Buyer, its successors and assigns, to perfect title in the Transferred Intellectual Property anywhere throughout the world.

#### ARTICLE IV REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Seller. Seller represents and warrants to Buyer as follows:

4.1.1 Corporate Existence. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Seller is authorized to do business, and is in good standing, in each state in which the ownership of Purchased Assets or conduct of the Business by it requires it to be so authorized, except to the extent that any failure to be so qualified would not have a Material Adverse Effect upon the Business.

4.1.2 Enforceable Obligations. The execution, delivery and performance by each of Seller and its applicable Affiliate of this Agreement and each Ancillary Document to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate or entity action on the part of Seller or such applicable Affiliate. This Agreement, assuming due execution and delivery thereof by Buyer, constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws and equitable principles relating to or limiting creditors' rights generally. Each of the Ancillary Documents, when duly executed and delivered by Seller or its applicable Affiliate and assuming due execution and delivery thereof by Buyer, will constitute a legally valid and binding obligation of Seller or such applicable Affiliate

enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws and equitable principles relating to or limiting creditors' rights generally.

4.1.3 Title to Assets. Seller has good and valid title to or, in the case of leased properties or properties held under license, a good and valid leasehold or license interest in, all of the Purchased Assets and (ii) Seller holds title to each Purchased Asset which it purports to own, free and clear of any Liens other than Permitted Liens. The representations in this Section 4.1.3 do not apply to Intellectual Property, as to which only the representations in Section 4.1.4(c) shall apply.

4.1.4 Completeness of Assets; Maintenance of the Business.

(a) The Purchased Assets, together with the services to be provided pursuant to the Transition Services Agreement, the Commercial Services Agreement and the Facilities Use Agreement and the licenses granted pursuant to the IP License Agreement and the Intellectual Property forming part of the Excluded Assets, are sufficient for the conduct of the Business immediately following the Closing in substantially the same manner as currently conducted, other than the use of the Excluded Marks in the conduct of the Business. The Fixed Assets listed on Schedule 2.1.1(a) constitute all the equipment, furniture, furnishings, fixtures, computers and other office equipment and supplies owned by Seller and material to the Business.

(b) Seller does not own any real property or any interest in real property material to the operation of the Business, other than the leasehold interests created under the Facilities Leases and leasehold interests for the facilities described on Schedule 4.1.4(b) (the "Shared Facilities").

(c) The Intellectual Property listed on Schedule 2.1.1(g) constitutes all the Intellectual Property known to Seller that is necessary for the conduct of, or used by Seller in the Business. To the extent that it is discovered that Intellectual Property owned by Seller as of the Closing Date is required to conduct the Business as it is conducted on the Closing Date (other than Intellectual Property used in the provision of services pursuant to the Transition Services Agreement, Commercial Services Agreement and/or Facilities Use Agreement), and such Intellectual Property is not listed on Schedule 2.1.1(g), Seller shall grant to Buyer a license to such Intellectual Property under the terms of the IP License Agreement as if such Intellectual Property were listed on Schedule 2.1.1(g) under "Licensed Intellectual Property." Seller has good and valid title to or, in the case of Intellectual Property held under license, a good and valid license interest in, all of the Intellectual Property listed on Schedule 2.1.1(g) (excluding unregistered Trademarks), and Seller holds title to all Transferred Intellectual Property which it purports to own, free and clear of any Liens other than Permitted Liens. Seller has not received any written notice of any pending or threatened action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand that (i) challenges the legality, validity, enforceability, registration, use, or ownership of any Licensed Intellectual Property or Transferred Intellectual Property (other than as indicated on Schedule 2.1.1(g)) or (ii) asserts that any Licensed Intellectual Property or Transferred Intellectual Property infringes or misappropriates (or will infringe or misappropriate) any trademark, trade secret, copyright, patent or other intellectual property of any third party (other than as indicated on Schedule 2.1.1(g)). Seller has not, by any

of its acts or omissions, or by acts or omissions of its Affiliates, directors, officers, consultants, agents, or representatives caused any of the Licensed Intellectual Property rights, Transferred Intellectual Property rights or trade secrets that are material to the Business to be transferred to any Person (other than pursuant to the terms of this Agreement or pursuant to the terms of software license agreements or non-disclosure agreements entered into in the ordinary course of the Business). Seller has not, by any of its acts or omissions, or by acts or omissions of its Affiliates, directors, officers, consultants, agents, or representatives caused any of the Licensed Intellectual Property rights, Transferred Intellectual Property rights (excluding any unregistered Trademarks) or trade secrets that are material to the Business to be abandoned, waived, extinguished, or adversely affected to any material extent.

(d) To Seller's knowledge, the operation of the Business as such business is currently conducted has not and does not (1) infringe or misappropriate the Intellectual Property or other right of any Person or (2) constitute unfair competition, passing off or unfair trade practices under the laws of any jurisdiction where the Buyer does business.

(e) To Seller's knowledge, there is no unauthorized use, unauthorized disclosure, infringement or misappropriation of any Intellectual Property listed on Schedule 2.1.1(g) by any third party, including any employee. Neither Seller nor any of its subsidiaries or affiliates has brought any action, suit or proceeding for infringement or misappropriation of any Intellectual Property listed on Schedule 2.1.1(g) or breach of any agreement related to such intellectual property.

(f) No event, fact, circumstance, condition, development, occurrence or change has occurred since December 31, 2006 which has had, or which is reasonably likely to have, a Material Adverse Effect on the Business.

4.1.5 Litigation. Except as set forth on Schedule 4.1.5, no litigation, including without limitation any arbitration, investigation or other proceeding of or before any court, arbitrator, mediator or Governmental Entity (collectively, "Proceedings") is pending or, to Seller's knowledge, threatened against Seller with respect to the Purchased Assets, the Business or the transactions contemplated by this Agreement which litigation would reasonably be expected to materially and adversely affect Buyer's ownership, use or enjoyment of the Purchased Assets. Seller is not a party to or subject to the provisions of any judgment, order, writ, injunction, decree or award of any court, arbitrator or Governmental Entity (collectively, "Orders") which would adversely affect Buyer's ownership, use or enjoyment of the Purchased Assets.

4.1.6 Facilities Leases. Each Facilities Lease is in full force and effect, all rents due to date under each such lease have been paid, and there exists no default or event of default by Seller or, to the knowledge of Seller, by any other party, or occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any further event or condition, would become a default or event of default under such lease.

4.1.7 Contracts and Commitments. Except as set forth on Schedule 4.1.7, all of the Contracts (true copies of which have been provided to Buyer) are (assuming due authorization and execution by the other party or parties thereto) valid, binding and in full force

and effect. Except as set forth on Schedule 4.1.7, all amounts due to date under each such Contract have been or will be paid, and there exists no event of default by Seller, or occurrence, condition, or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become an event of default, under any such Contract which would give rise to a right of the other party to such contract to terminate such contract.

4.1.8 Trade Receivables. The Trade Receivables are valid, and have arisen in the ordinary course of business consistent with past practices and are not to Seller's knowledge subject to any valid defenses, set-offs or counterclaims.

4.1.9 Compliance with Law. Seller's ownership and operation of the Purchased Assets and the Business are, and have been, in compliance in all material respects with all applicable federal, state and local laws, statutes, Orders, ordinances and regulations ("Laws").

4.1.10 Governmental and Third Party Contractual Consents. Except as set forth on Schedule 4.1.10, no consent or approval of, other action by, or notice to, any Governmental Entity ("Governmental Consents") or any third party pursuant to one or more contractual obligations ("Third Party Contractual Consents") is required in connection with the execution and delivery by Seller of this Agreement or the consummation by Seller of any of the transactions contemplated hereby.

4.1.11 Restrictive Documents; Non-Contravention. Seller is not subject to or a party to any charter, by-law, mortgage, Lien, lease, permit, agreement, contract, instrument, law, rule, ordinance, regulation, order, judgment or decree, or any other restriction of any kind or character, which would prevent consummation of the transactions contemplated by this Agreement. Except as set forth in Schedule 4.1.11, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not (i) violate, conflict with or result in the breach of any provision of the charter documents or by-laws of Seller or any Affiliate of Seller; (ii) violate any order, writ, judgment, injunction, award or decree of any court, arbitrator or Governmental Entity against, or to the knowledge of Seller binding upon, Seller or the Purchased Assets; (iii) result in a violation by Seller of any Law, or (iv) violate, conflict with or result in the breach of any term, condition or provision of, or constitute a default or accelerate the performance under, or require the consent of any other party to, any mortgage, indenture, agreement, contract, commitment, lease, plan, license, permit, authorization or other instrument, document or understanding, oral or written, to which Seller is a party or by which Seller is otherwise bound.

4.1.12 Taxes.

(a) Except for matters that would not have a Material Adverse Effect, Seller or the affiliated, combined or unitary tax group of which Seller is or was a member, as the case may be, has filed, or there have been timely filed on Seller's behalf, all Tax Returns in respect of the Purchased Assets and/or the Business that are required to be filed by it and has paid all Taxes shown thereon.

(b) As of the date of this Agreement, there are no Proceedings pending or to Seller's knowledge, threatened with respect to the Purchased Assets and/or the Business in respect of any Tax.

This Section 4.1.12 represents the sole and exclusive representation and warranty of Seller regarding Tax matters.

#### 4.1.13 Employees.

(a) Schedule 4.1.13 is an accurate and complete list showing the full names and job titles of all In-Scope Employees and all independent contractors engaged by Seller in connection with the Business as of the date of this Agreement. Seller has previously delivered to or made available to Buyer a schedule indicating, for each of the In-Scope Employees, and independent contractors the following information: work location, current annual salary or other compensation, current maximum annual cash bonus incentive, the severance payments and severance benefits to which any such employee would have been entitled on account of an eligible termination under the Verizon Business Severance Plan as in effect as of the Closing Date, net credited service date, whether such employee is full or part-time, whether such employee is classified as exempt or non-exempt for federal and state minimum wage and overtime pay purposes, and whether such employee receives any benefits not generally available to all of Seller's employees and independent contractors or is on disability, worker's compensation or leave of absence. Seller has also previously delivered to or made available to Buyer a description of the current perquisite, holiday, vacation and leave of absence policies of Seller.

(b) Except as set forth in Schedule 4.1.13(b), no Proceeding or Order is pending or, to Seller's knowledge, threatened against Seller regarding the labor and employment practices of Seller with respect to the Purchased Assets, the Business or the transactions contemplated by this Agreement. There are no unfunded settlements with respect to any such pending or threatened Proceeding or Order.

(c) Except as set forth in Schedule 4.1.13(c), no labor union or other collective bargaining representative has been recognized or certified as the exclusive bargaining representative of any In-Scope Employees; no union or other collective bargaining representative represents any In-Scope Employees, no representation petition is currently pending with respect to any In-Scope Employees, no demands for recognition have been made by any union concerning potential representation of In-Scope Employees, and, to Seller's knowledge, no union or other collective bargaining representative is soliciting signed authorizations from any In-Scope Employees for the purpose of representing such employees; and Seller is not a party to, bound by or negotiating any collective bargaining agreement applicable to any In-Scope Employees. There is no labor strike or labor dispute, slow down, lockout or stoppage, unfair labor practice charge or other material labor dispute actually pending or threatened against or affecting the Purchased Assets or the Business.

4.1.14 Employee Benefit Plans. Schedule 4.1.14 lists all employee benefit plans (including but not limited to plans as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) and all bonus, sales commission, stock

option, stock purchase, restricted stock, incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, severance or other benefit plans, programs, arrangements, or policies and all termination, severance or other contracts or agreements, whether formal or informal, whether or not set forth in writing, whether covering one person or more than one person, and whether or not subject to any of the provisions of ERISA, which are maintained, contributed to or sponsored by Seller or its Affiliates for the benefit of the In-Scope Employees (each item listed on Schedule 4.1.14 being referred to herein individually, as a “Plan” and collectively, as the “Plans”). Seller has made available to Buyer a complete and accurate copy of (i) each written Plan and descriptions of any unwritten Plan (including all amendments thereto whether or not such amendments are currently effective), (ii) each summary plan description and summary of material modifications relating to the Plan, (iii) each trust agreement or other funding arrangement with respect to the Seller 401(k) Salary Savings Plan, and (iv) the two most recently filed IRS Form 5500 relating to the 401(k) Plan. Neither Seller nor any person, trade or business that together with Seller is or was treated as a single employer within the meaning of section 414(b), (c), (m) or (o) of the Code or Section 4001(b) of ERISA, sponsors, maintains or contributes to or has sponsored, maintained or contributed to in the last six (6) years any multi-employer plan within the meaning of Section 3(37) of ERISA. With respect to each Plan subject to Title IV of ERISA, except as set forth on Schedule 4.1.14: (w) there is no accumulated funding deficiency, as set forth in Section 412(a) of the Code or Section 302(a) of ERISA; (x) to Seller’s knowledge, no circumstance exists as a result of which Seller could have any direct or indirect material liability to the Pension Benefits Guaranty Corporation or the Internal Revenue Service for any excise tax or penalty; (y) no notice of intent to terminate has been given under Section 4041 of ERISA; and (z) no proceeding to terminate has been initiated under Section 4042 of ERISA.

4.1.15 Broker’s and Finder’s Fees. All negotiations relative to this Agreement have been carried on by Seller directly without the retention by Seller of any Person who may be entitled to any brokerage or finder’s fee or other commission in respect of this Agreement or the consummation of the transactions contemplated hereby.

4.1.16 Corporate Approvals. The Board of Directors of Verizon Communications Inc. have approved the consummation of the transactions contemplated hereby.

4.2 Representations and Warranties of Buyer. Buyer represents and warrants to Seller as follows:

4.2.1 Corporate Existence. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

4.2.2 Enforceable Obligations. The execution, delivery and performance by each Buyer of this Agreement and each Ancillary Document to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate or entity action on the part of Buyer, other than the stockholder approval described in Section 6.1.5. This Agreement assuming due execution and delivery thereof by Seller, constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws and equitable principles relating



to or limiting creditors' rights generally. Each of the Ancillary Documents, when duly executed and delivered by Seller or its applicable Affiliate and assuming due execution and delivery thereof by Buyer, will constitute a legally valid and binding obligation of Seller or such applicable Affiliate enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws and equitable principles relating to or limiting creditors' rights generally. Buyer has entered into the Management Services Agreement and the Management Services Agreement constitutes a legally valid and binding obligation of the parties thereto.

4.2.3 Litigation. No Proceeding is pending or, to Buyer's knowledge, threatened against Buyer, with respect to the transactions contemplated by this Agreement, and to Buyer's knowledge, no investigation that might result in any such Proceeding is pending or threatened.

4.2.4 Governmental and Third Party Contractual Consents. Except as set forth on Schedule 4.2.4, no Governmental Consents or Third Party Contractual Consents are required in connection with the execution and delivery by Buyer of this Agreement or the consummation by Buyer of any of the transactions contemplated hereby.

4.2.5 Restrictive Documents; Non-Contravention. Buyer is not subject to or a party to any charter, by-law, mortgage, Lien, lease, permit, agreement, contract, instrument, law, rule, ordinance, regulation, order, judgment or decree, or any other restriction of any kind or character, which would prevent consummation of the transactions contemplated by this Agreement. Except as set forth on Schedule 4.2.5, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not (i) violate, conflict with or result in the breach of any provision of the charter documents or by-laws of Buyer; (ii) violate any order, writ, judgment, injunction, award or decree of any court, arbitrator or Governmental Entity against, or to the knowledge of Buyer binding upon, Buyer; (iii) result in a violation by Buyer of any Law; or (iv) violate, conflict with or result in the breach of any term, condition or provision of, or require the consent of any other party to any mortgage, indenture, agreement, contract, commitment, lease, plan, license, permit, authorization or other instrument, document or understanding, oral or written, to which Buyer is a party or by which Buyer is otherwise bound.

4.2.6 Financing. Buyer has, prior to the date hereof, delivered to Seller true and complete copies of written commitments of Clearlake Capital Group, L.P. to provide Buyer with equity and debt financing sufficient to fulfill its obligations to pay the Purchase Price and Earn-Out hereunder (the "Commitment Letters"). Buyer or Buyer's affiliate has entered into Stock Purchase Agreements and a Credit Agreement with Clearlake Capital Group, L.P. (collectively, the "Financing Agreements") which provide for the provision of financing on the terms provided for in the Commitment Letters.

4.2.7 Broker's and Finder's Fees. Other than Buyer's engagement of Daniels & Associates, L.P., all negotiations relative to this Agreement have been carried on by Buyer directly without the retention by Buyer of any Person who may be entitled to any brokerage or finder's fee or other commission in respect of this Agreement or the consummation of the transactions contemplated hereby.

4.2.8 Corporate Approvals. The Board of Directors of Buyer has approved the consummation of the transactions contemplated hereby.

4.3 Warranties Exclusive. Except for the express representations and warranties made by Seller in Section 4.1 and in the Ancillary Documents, Seller makes no representations or warranties, express or implied, concerning the Purchased Assets or the Business or the other matters covered therein. Except for the express representations and warranties made by Buyer in Section 4.2, Buyer makes no representations or warranties, express or implied, concerning the matters described therein.

## ARTICLE V AGREEMENTS PENDING CLOSING

5.1 Cooperation. Upon the terms and subject to the conditions hereof, each of the Parties agrees to use its commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including without limitation obtaining all Government Consents and Third Party Contractual Consents; provided, however, that to the extent the assignment of any Contract or undertaking to be assigned to Buyer as provided herein which is not listed on Schedule 4.1.10 requires the consent of another party thereto, notwithstanding anything to the contrary in any other provision of this Agreement, each Party waives the obligation to obtain such consents, provided that the other Party uses commercially reasonable efforts to obtain such consents and complies with Section 2.1.3. Seller and Buyer shall each be responsible for 50% of all filing fees that are incurred in connection with any Hart-Scott-Rodino Antitrust Improvements Act of 1976 compliance activities, if any, relating to this Agreement but shall each be responsible for all of its own non-filing expenses and legal fees incurred in connection with such filing.

5.2 Conduct of Business. Between the date of this Agreement and the Closing Date, Seller shall:

- (a) use commercially reasonable efforts to keep the Business and its organization intact, to keep available the services of the key employees of the Business, to maintain the goodwill of the customers and suppliers of the Business, and to maintain the Purchased Assets in their present condition (ordinary wear and tear excepted);
- (b) conduct the Business in substantially the same manner as the Business has been conducted heretofore and shall not engage in any transaction relating to the Business other than in the ordinary and customary course of business;
- (c) comply with all applicable Laws;
- (d) not create any Liens, other than Permitted Liens, on the Purchased Assets;
- (e) not become a party to any material Contract with respect to the Business and not renew, terminate or amend any Material Contract;

(f) not sell or otherwise dispose of any of the Purchased Assets, except that the Seller may (i) sell inventory in the ordinary course of business, and (ii) dispose of obsolete Purchased Assets;

(g) not increase, directly or indirectly, the compensation of any In-Scope Employees, except for reasonable increases in the ordinary course of business consistent with past practices, nor enter into any collective bargaining agreement relating to the Business, nor create or materially modify any Plan, or the level of benefits under any Plan, nor increase or decrease any severance or termination pay benefit or any other fringe benefit; and

(h) not agree to take any action prohibited by paragraphs (d) through (f) above.

5.3 No Negotiations. Between the date of this Agreement and the Closing Date, neither the Seller nor any of its officers, directors, financial advisors, attorneys or other agents shall, directly or indirectly, encourage, solicit or participate in discussions or negotiations or enter into any agreement with any corporation, partnership, person or other entity or group concerning the sale of all or substantially all of the Purchased Assets or the Business or concerning a merger, consolidation or other business combination involving the Business.

5.4 Provision of Financial Statements. Although no financial statements were historically prepared for the Business on a stand-alone basis, Seller has commenced the preparation of, and shall use commercially reasonable efforts promptly to provide to Buyer, balance sheets and income and cash flow statements for the Business as of and for the years ended December 31 of each of 2004, 2005 and 2006 and as of the last day of and for such interim periods as Buyer shall require in order to assure that the Proxy Statement and any Current Report on Form 8-K to be filed by Buyer with the Securities and Exchange Commission (the “SEC”) prior to the Closing Date complies with all applicable requirements of the SEC relating to the financial statements of the Business (the “Carve-Out Financial Statements”). Seller shall also use commercially reasonable efforts to provide Buyer with (i) an unqualified audit report signed by the firm of Ernst & Young, LLP with respect to each of the annual Carve-Out Financial Statements, (ii) a consent in form and substance reasonably satisfactory to Buyer, executed by such accounting firm as of a date within two (2) Business Days of each of the dates on which the Carve-Out Financial Statements are filed with the SEC, consenting to the filing by Buyer of such report with the SEC and (iii) an acknowledgment in form and substance reasonably satisfactory to Buyer, executed by such firm as of a date within two (2) Business Days of each such filing, confirming that such firm is independent with respect to the Seller. When audited Carve-Out Financial Statements become available, Seller will provide copies of them to Buyer. Buyer agrees to reimburse Seller for the fees and expenses of Ernst & Young, LLP related to the audited Carve-Out Financial Statements, up to One Hundred Thousand Dollars (\$100,000.00), which amount shall be offset against or added to the amount of the Net Working Capital Adjustment payable under Section 2.4.2. In addition, not later than the 15<sup>th</sup> day of each calendar month following the execution of this Agreement, Seller shall furnish to Buyer a profit and loss statement for the Business for the preceding calendar month, in the form customarily prepared by Seller.

## 5.5 Proxy Statement and Other Filings.

5.5.1 Promptly after Buyer receives a copy of the Carve-Out Financial Statements Buyer shall file with the SEC a proxy statement (the “Proxy Statement”) describing the Buyer Meeting at which Buyer will seek the stockholder approval described in Section 6.1.5. Seller shall cooperate with Buyer in the preparation of the Proxy Statement, it being understood and agreed that such cooperation shall not require anything beyond preparation and provision of the Carve-Out Financial Statements and the associated management’s discussion and analysis and review of information in the Proxy Statement relating to Seller and its Affiliates. Buyer shall use its reasonable best efforts to cause the SEC Staff to approve the mailing of the Proxy Statement to Buyer’s stockholders as promptly as practicable after such filing, and Buyer shall thereafter transmit the Proxy Statement to its stockholders. Buyer shall also use its commercially reasonable efforts to obtain all necessary state securities law or “Blue Sky” permits and approvals required to carry out the transactions contemplated by this Agreement.

5.5.2 The Parties shall cooperate and consult with each other and use their commercially reasonable efforts promptly to prepare and file all necessary documentation, to effect all applications, notices, petitions and filings, and to obtain as promptly as practicable all Governmental Consents and Third Party Contractual Consents and other permits, consents, approvals and authorizations of all third parties and Governmental Entities which are necessary or advisable to consummate the transactions contemplated by this Agreement. The Parties shall have the right to review in advance, and to the extent practicable each will consult the other on, in each case subject to applicable laws relating to the exchange of information, all the information relating to the Parties, as the case may be, and any of their respective Affiliates, which appears in any filing made with, or written materials submitted to, any third party or any Governmental Entity in connection with the transactions contemplated by this Agreement. In exercising the foregoing right, each of the Parties hereto shall act reasonably and as promptly as practicable. Each Party will keep the other apprised of the status of matters relating to completion of the transactions contemplated herein.

5.5.3 The Parties shall, upon request, furnish each other with all information concerning themselves, their Affiliates, directors, officers and shareholders and such other matters as may be reasonably necessary or advisable in connection with the Proxy Statement and any other statement, filing, notice or application made by or on behalf of the Parties or any of their respective Affiliates to any Governmental Entity in connection with the transactions contemplated by this Agreement. Each Party agrees promptly to advise the other Parties if at any time prior to the Buyer Meeting any information provided by such Party for the Proxy Statement becomes incorrect or incomplete in any material respect and promptly to provide Buyer with the information needed to correct such inaccuracy or omission.

5.6 Supplemental Disclosure. Seller shall have the right from time to time prior to the Closing to supplement any Schedule with respect to any matter that arises or becomes known by Seller after the date hereof and that would have been required or permitted to be set forth or described in the Disclosure Schedules had such matter existed or been known to Seller as of the date of this Agreement. Any such supplemental disclosure will be deemed to have cured any breach of any representation or warranty made in this Agreement (it being understood that the consummation of the Closing will be deemed to constitute a waiver of any such breach) arising

before Closing, but will not be deemed to have been disclosed as of the date of this Agreement for purposes of determining whether or not the condition set forth in Section 6.1.1 has been satisfied.

5.7 Closing Conditions; Representations and Warranties. Each of the Parties covenants and agrees that pending the Closing and except as otherwise specified in this Agreement it shall use commercially reasonable efforts to ensure that the Closing conditions contained in ARTICLE VI are met and that its material representations and warranties remain true in all material respects on an ongoing basis and shall promptly inform the other Party if it discovers that any such Closing condition cannot be met or any such representation or warranty was either materially incorrect when made or has become materially incorrect.

5.8 Access. Seller shall give Buyer's officers, employees, counsel, accountants and other representatives access to and the right to inspect, during normal business hours and on reasonable notice, the Purchased Assets and records pertaining thereto, and shall permit them to consult with and interview Seller's officers, employees, accountants, and agents for the purpose of making such investigation of the Purchased Assets as Buyer shall reasonably desire to make, provided that such inspection and investigation activities shall not unreasonably interfere with Seller's business operations. Seller shall notify Buyer as promptly as practicable of any significant change in the ordinary course of business for the Business and of any material litigation or other proceedings (threatened or pending) involving or affecting the Business or the transactions contemplated by this Agreement and of any unbudgeted capital expenditure or commitment in excess of \$100,000, individually, or \$500,000 in the aggregate, relating to the Business, and shall use reasonable efforts to keep Buyer fully informed of such events. Buyer shall give Seller's officers, employees, counsel, accountants and other representatives access to all documentation and information related to Buyer's financial condition and ability to pay the Purchase Price and Earn-Out as reasonably requested by Seller, and shall permit them to consult with Buyer's officers, employees, accountants, agents and lenders for the purpose of assessing Buyer's financial condition and ability to pay the Purchase Price and Earn-Out. Any information provided to Buyer or Seller or their respective representatives in accordance with this Section 5.8 or otherwise pursuant to this Agreement shall be subject to the terms of the Non-Disclosure Agreement dated as of July 24, 2006, between Buyer and Seller (the "Non-Disclosure Agreement").

5.9 Middleware Access. From the date of this Agreement, through Closing, Seller shall license to Buyer, pursuant to the Transitional Use Intellectual Property License Agreement being executed contemporaneously with this Agreement, certain Intellectual Property for Buyer's use in developing certain middleware (as such term is commonly used in the information technology/telecommunications industries) in order to accomplish the transition of Internet protocol-based traffic from Seller's network to Buyer's network. The development of such middleware shall be at Buyer's sole expense, and Seller shall have no obligation to assist in (beyond provision of access to such technology and Intellectual Property), nor any liability for the failure to develop, or for any results or consequences of the use of, any such middleware. Any middleware so developed shall be and remain Seller's sole property unless and until the Closing occurs, and shall be transferred by Seller to Buyer at Closing. If this Agreement is terminated pursuant to Section 9.1, Buyer's access to technology and Intellectual Property shall automatically be terminated and Buyer shall immediately return to Seller all technology and

Intellectual Property provided to Buyer pursuant to this Section and all middleware developed pursuant to this Section.

## ARTICLE VI CONDITIONS PRECEDENT TO THE CLOSING

6.1 Conditions Precedent to Buyer's Obligations. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment or satisfaction, prior to or at the Closing, of each of the following conditions precedent unless waived in writing by Buyer:

6.1.1 Representations, Warranties and Covenants. All representations and warranties of Seller contained in this Agreement, in any schedule or exhibit hereto or in any instrument, document or certificate delivered by Seller to Buyer pursuant to the provisions hereof, shall be true in all material respects (or, with respect to representations and warranties that are qualified as to materiality, true in all respects) on the Closing Date with the same effect as though such representations and warranties were made as of such date, except for changes contemplated by this Agreement, and Seller shall have performed in all material respects all covenants and agreements required by this Agreement to be performed by it on or prior to the Closing Date.

6.1.2 No Litigation. No Proceedings by any Governmental Entity or other Person shall be pending or threatened for the purpose of enjoining or preventing, or which question the validity or legality of, any of the transactions contemplated hereby.

6.1.3 Consents and Approvals. The Governmental Consents listed in Schedules 4.1.10 and 4.2.4 and the Third Party Contractual Consents shall have been obtained and shall be effective.

6.1.4 Carve-Out Financial Statements. Prior to the filing of the Proxy Statement with the SEC and no later than two (2) Business Days before the Closing, Seller shall have provided Buyer with the Carve-Out Financial Statements and such other reports, consents, acknowledgments and writings as are contemplated by Section 5.4.

6.1.5 Stockholder Approval. The stockholders of GoAmerica, Inc. shall have approved the acquisition of the Purchased Assets contemplated by this Agreement and the issuance of all shares of capital stock of GoAmerica, Inc. specified in the Financing Agreements, such approval to conform to all applicable requirements of The Nasdaq Stock Market and the laws of the State of Delaware.

6.1.6 No Material Adverse Effect. No occurrence or condition (alone or together with other occurrences or conditions) giving rise to a Material Adverse Effect shall have occurred since the date of this Agreement.

6.2 Conditions Precedent to Seller's Obligations. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment or satisfaction, prior to or at the Closing, of each of the following conditions precedent unless waived in writing by Seller:

6.2.1 Representations, Warranties and Covenants. All representations and warranties of Buyer contained in this Agreement, in any schedule or exhibit hereto or in any instrument, document or certificate delivered by Buyer to Seller pursuant to the provisions hereof, shall be true in all material respects (or, with respect to representations and warranties that are qualified as to materiality, true in all respects) on the Closing Date with the same effect as though such representations and warranties were made as of such date, except for changes contemplated by this Agreement, and Buyer shall have performed in all material respects all covenants and agreements required by this Agreement to be performed by it on or prior to the Closing Date.

6.2.2 No Litigation. No Actions by any Governmental Entity or other Person shall have been instituted or threatened for the purpose of enjoining or preventing, or which question the validity or legality of, any of the transactions contemplated hereby.

6.2.3 Consents and Approvals. The Governmental Consents listed in Schedules 4.1.10 and 4.2.4 and the Third Party Contractual Consents shall have been obtained and shall be effective.

## ARTICLE VII OTHER AGREEMENTS

7.1 Employees and Employee Benefits. Buyer or Buyer's designee shall make bona fide offers of employment to all In-Scope Employees (as defined in Schedule 7.1) in accordance with, and shall otherwise in all respects comply with, the procedures and obligations set forth in Schedule 7.1. Between the date of this Agreement and the Closing Date, Seller shall permit Buyer or Buyer's designee to conduct interviews with In-Scope Employees having rank of Manager or above for purposes of planning Seller's post-Closing staffing, provided that Buyer or Buyer's designee shall give reasonable prior notice of whom it wishes to interview and its preferred dates for the interview, any such interviews shall be coordinated through Seller, such interviews shall be at times and locations satisfactory to Seller, and Seller shall have the right to have a Seller representative present during any or all such interviews. To the extent required by, and in accordance with, the Worker Adjustment and Retraining Notification Act ("WARN") and any applicable state law, Seller shall provide any required WARN notices to the In-Scope Employees.

7.2 Expenses. Each Party shall pay its own expenses relating to the preparation of this Agreement, the carrying out of the provisions of this Agreement and the consummation of the transactions contemplated hereby, including without limitation the fees and expenses of their respective counsel, accountants and financial advisers.

7.3 Public Announcements. No Party shall issue a press release, make publicly available any document or make any public statement concerning this Agreement, the terms hereof or the transactions contemplated hereby without obtaining the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed, except to the extent that such Party, or a publicly held parent company of such Party, is required to issue such a press release, to make available such a document or to make such a public statement under the rules of

a stock exchange or self-regulatory association on which such Party's or such Party's ultimate parent company's securities are listed, or pursuant to any applicable Law.

#### 7.4 Covenant Not to Compete or Solicit Employees.

7.4.1 Seller agrees that it will not, and will cause its Affiliates not to, engage or participate, directly or indirectly, as principal, agent, employer, consultant or in any other capacity whatsoever, in the conduct or management of, or own (legally or beneficially), or have the right or option to acquire, any direct or indirect interest in any business that engages, directly or indirectly, in providing telecommunications relay services, including without limitation any form of Internet protocol relay services or video relay services, in the United States (a "Competing Business"), for a period of two (2) years after the Closing Date. Notwithstanding the foregoing, the foregoing covenant shall not prohibit Seller or its Affiliates from:

(a) owning, or having the right or option to acquire, any passive investment not involving the furnishing of personal services, consulting or any involvement in operations, in any business; provided that such investment constitutes not more than ten percent (10%) of the aggregate equity interests in such business and such equity interests are, at the time of acquisition by Seller or its affiliates, registered under the Securities Exchange Act of 1934, as amended;

(b) acquiring (including without limitation by purchase, merger or consolidation) any entity which includes a Competing Business, provided that such Competing Business accounted for not more than ten percent (10%) of the revenues of such acquired entity in the last full fiscal year of such entity prior to the acquisition;

(c) providing any service required to be provided by Seller or its Affiliates by applicable Law.

7.4.2 Covenant Regarding Employees. Except (i) with respect to the employees listed on Schedules 7.1(a) and 7.4.2, (ii) with Buyer's, Buyer's Affiliates or Stellar's consent, or (iii) with respect to employees who are terminated by Buyer, Buyer's Affiliates or Stellar, neither the Seller nor its Affiliates will, for a period of one (1) year after the Closing Date, directly or indirectly, employ, engage or contract (or contact or solicit for the purpose of employing, engaging or contracting, other than through the general solicitation of an open position) for the services in any capacity of any person who is employed by the Business on the date hereof (or who is so employed immediately prior to the Closing Date), unless (x) the employment of such Person is terminated by Stellar, Buyer or Buyer's Affiliates prior to any such employment, engagement, contract, contact or solicitation by Seller or its Affiliates, or (y) such person responds to a general solicitation of an open position.

7.4.3 Acknowledgment. Seller agrees that the covenants set forth in this Section 7.4 are appropriate and reasonable when considered in light of the nature and extent of the Business that is being effectively acquired by Buyer hereunder, and which includes the goodwill of the business of Seller. Seller acknowledges that (i) Buyer has a legitimate interest in protecting the Business and the Purchased Assets, (ii) the covenants set forth in this Section 7.4



are not oppressive to Seller and contain reasonable limitations as to time, scope, geographical area and activity, (iii) the covenants set forth in this Section 7.4 do not harm in any manner whatsoever the public interest, (iv) Seller is agreeing to such covenants in order, among other things, to induce Buyer to enter into this Agreement and (v) Seller has received and will receive substantial consideration and/or benefits from the consummation of the transactions contemplated by this Agreement, including, but not limited to, the payment of the Purchase Price in accordance with this Agreement.

7.4.4 Injunctive Relief. In the event that Seller violates the foregoing covenants set forth in this Section 7.4, then, in addition to any other rights and remedies available, Buyer shall have the right and remedy to have the applicable covenant provisions specifically enforced by any court of competent jurisdiction by way of an injunction or other legal equitable relief, it being agreed that any breach of the applicable covenant would cause irreparable injury to Buyer and damages would be an inadequate remedy.

## ARTICLE VIII INDEMNIFICATION

8.1 Survival of Representations and Warranties. All representations and warranties made by the Parties in this Agreement or in any certificate, schedule, exhibit, or instrument furnished hereunder shall survive the Closing for a period of six (6) months after the Closing Date, except that the first sentence of Section 4.1.3 shall survive the Closing indefinitely. Notwithstanding the foregoing, it is acknowledged and understood that the limitations set forth in this Section 8.1 shall not apply with respect to any indemnification arising out of Sections 8.2(ii), 8.2(iii), 8.3(ii) or 8.3(iii).

8.2 Obligation of Seller to Indemnify. Seller hereby agrees to indemnify Buyer, Buyer's Affiliates and Buyer's and its Affiliates' directors, officers and employees (collectively the "Buyer Indemnified Parties") against, and to protect, save and keep harmless the Buyer Indemnified Parties from, and to assume liability for, payment of all liabilities, obligations, losses, damages, penalties, claims, actions, suits, judgments, settlements, out-of-pocket costs, expenses and disbursements (including reasonable costs of investigation, and reasonable attorneys', accountants' and expert witnesses' fees) of whatever kind and nature (collectively "Losses"), that may be imposed on or incurred by the Buyer Indemnified Parties arising out of (i) the failure of any representation or warranty by Seller contained in Section 4.1, or in any certificate or instrument delivered by Seller hereunder, to be true in any material respect (except to the extent that the representation is already qualified by materiality, in which case such indemnification shall apply to the failure of such representation to be true in any respect), or any material breach (except to the extent that the representation is already qualified by materiality, in which case such indemnification shall apply to any breach) by Seller of a warranty contained in Section 4.1 or in any certificate or instrument delivered hereunder, (ii) any failure by Seller to comply with or perform any agreement or covenant contained in this Agreement or (iii) liabilities (other than Assumed Liabilities) arising from operation of the Business or ownership of the Purchased Assets prior to the Closing Date, including without limitation all Retained Liabilities or (iv) liabilities in respect of any employee benefit policies, plans, arrangements, practices or agreements of Seller as well as any and all liabilities under Title IV of ERISA that may be

imposed on the Buyer Indemnified Parties or the Purchased Assets as a result of being a member of Seller's controlled group for purposes of Section 414 of the Code.

8.3 Obligation of Buyer to Indemnify. Buyer hereby agrees to indemnify Seller, its Affiliates, and its and its Affiliates' directors, officers and employees (collectively the "Seller Indemnified Parties"), and to protect, save and keep harmless the Seller Indemnified Parties from, any Losses that may be imposed on or incurred by the Seller Indemnified Parties arising out of (i) the failure of any representation or warranty by Buyer contained in Section 4.2, or in any certificate or instrument delivered by Buyer hereunder, to be true in any material respect (except to the extent that the representation is already qualified by materiality, in which case such indemnification shall apply to the failure of such representation to be true in any respect), or any material breach (except to the extent that the representation is already qualified by materiality, in which case such indemnification shall apply to any breach) of a warranty contained in Section 4.2 or in any certificate or instrument delivered hereunder, (ii) any failure by Buyer to comply with or perform any agreement or covenant by Buyer contained in this Agreement or (iii) any Assumed Liability.

8.4 Indemnification Procedures.

8.4.1 Notice of Asserted Liability. In the event that any Indemnified Party desires to make a claim against any Indemnifying Party in connection with any Loss for which it may seek indemnification hereunder (an "Asserted Liability"), the Indemnified Party shall give notice (a "Claim Notice") to the Indemnifying Party of the Asserted Liability and of its claims of indemnification with respect thereto. Failure to give such Claim Notice shall not relieve the Indemnifying Party of its obligations under this ARTICLE VIII except to the extent that the Indemnifying Party shall have been prejudiced thereby. The Claim Notice shall describe the Asserted Liability in reasonable detail and shall indicate the amount (estimated, if necessary) of the Losses that have been or may be suffered by an Indemnified Party in connection with such Asserted Liability.

8.4.2 Defense of Asserted Liability. In the case of a third party claim, the Indemnifying Party may, at its option, control the defense of the claim. Notwithstanding the foregoing, the Indemnified Party shall have the right to retain counsel of its choice at its own expense and participate in the defense of the claim. If the Indemnifying Party does not assume such defense or the Indemnifying Party notifies the Indemnified Party within twenty (20) Business Days that it will not assume such defense, the Indemnified Party may control the defense of such claim and may settle the claim on behalf of and for the account and risk of the Indemnifying Party, who shall be bound by the result. In all cases, the Party without the right to control the defense of the claim may participate in the defense at its own expense.

8.4.3 Cooperation. Each Party shall cooperate and shall use its commercially reasonable efforts to cause its officers and employees to cooperate in the defense or prosecution of any claim for which indemnification is sought hereunder and furnish such records, information and testimony and attend such conferences, discovery proceedings, hearings, trials, and appeals as may be reasonably requested in connection therewith.

8.4.4 Settlements. Except as provided in Section 8.4.2, no Indemnifying Party will be subject to any liability for any settlement made without its written consent (but such consent shall not be unreasonably withheld or delayed). If an Indemnified Party refuses to consent to a bona fide offer of settlement which provides solely for a monetary payment which the Indemnifying Party wishes to accept, the Indemnified Party may continue to pursue such matter, free of any participation by the Indemnifying Party, at the sole expense of the Indemnified Party. In such event, the obligation of the Indemnifying Party shall be limited to the amount of the offer of settlement which the Indemnified Party refused to accept plus the costs and expenses of the Indemnified Party prior to the date the Indemnifying Party notified the Indemnified Party of the offer of settlement.

8.5 No Consequential or Punitive Damages. Notwithstanding anything in this Agreement to the contrary, in no event shall any Party be liable for indirect, special, consequential or punitive damages, including loss of future revenue or income, or loss of business reputation or opportunity, arising out of a breach of this Agreement, even if advised at the time of breach of the possibility of such damages.

8.6 Limitations on Indemnification.

(a) No claim, action or other Asserted Liability with respect to Losses arising out of a breach of a representation or warranty of Seller or Buyer under this Agreement may be asserted until such time as claims, actions or other Asserted Liabilities with respect to Losses arising out of breaches of representations and warranties of Seller or Buyer, as applicable, under this Agreement shall exceed \$1,000,000.00 in the aggregate (in which case Seller or Buyer, as applicable, shall be liable for all Losses only to the extent they are in excess of \$1,000,000.00). The total liability of Seller or Buyer (as applicable) hereunder for breaches of representations and warranties shall not exceed \$5,000,000.00. Notwithstanding the foregoing, it is acknowledged and understood that the limitations set forth in this Section 8.6 shall not apply with respect to any indemnification arising out of Sections 8.2(ii), 8.2(iii), 8.3(ii) or 8.3(iii).

(b) If an inaccuracy in any of the representations and warranties made by Seller or a breach of any covenant of Seller gives rise to an adjustment in the cash Purchase Price, then such inaccuracy or breach shall not give rise to an indemnification obligation under Section 8.2.

8.7 Mitigation. The Parties shall cooperate with each other with respect to resolving any claim or liability with respect to which one Party is obligated to indemnify the other Party hereunder, including by making commercially reasonable efforts to mitigate or resolve any such claim or liability. Each Party shall use commercially reasonable efforts to address any claims or liabilities that may provide a basis for an Asserted Liability such that each Party shall respond to any claims or liabilities in the same manner as it would respond to such claims or liabilities in the absence of the indemnification provisions of this Agreement. In the event that any Party shall willfully fail to make such commercially reasonable efforts to mitigate or resolve any claim or liability, then notwithstanding anything else to the contrary contained herein, the other Party shall not be required to indemnify any Person for any Loss that could reasonably be expected to have been avoided if such Party, as the case may be, had made such efforts.

8.8 Exclusive Remedies. After the Closing, except as set forth in Section 7.4.4 or in the case of fraud or intentional misrepresentation, the indemnification rights of the Parties under this ARTICLE VIII shall be the Parties' exclusive rights and remedies and shall preclude assertion by any Indemnified Party of any other rights or the seeking of any and all other remedies against the Indemnifying Party for any claims based on this Agreement.

## ARTICLE IX TERMINATION

### 9.1 Termination.

(a) Anything herein or elsewhere to the contrary notwithstanding, this Agreement shall terminate automatically if the Closing has not occurred by midnight on December 31, 2007 (the "Termination Date"), except that if one or more Governmental Consents have not been obtained by December 31, 2007, Buyer shall have the option of extending the Termination Date to midnight on March 31, 2008, by providing written notice to Seller by no later than the Termination Date. In addition, this Agreement may be terminated by written notice of termination at any time before the Closing Date only as follows:

(i) by mutual consent of the Parties;

(ii) by Buyer, provided that it is not then in material breach of any of its obligations under this Agreement, if Seller (i) fails in any material respect to perform any of its covenants in this Agreement when performance thereof is due or (ii) has breached in any material respect any of the representations or warranties contained in Section 4.1 of this Agreement, and does not cure such failure or breach within fifteen (15) Business Days after Buyer delivers written notice thereof; provided, however, that Buyer shall not be entitled to terminate this Agreement pursuant to this Section 9.1(a)(ii) if, prior to the expiration of such fifteen (15) Business Day period, Seller delivers a certificate signed by an officer of Seller certifying that (A) Seller reasonably believes that such breach or failure is capable of being cured prior to the Termination Date and (B) Seller shall use its reasonable best efforts to cause such breach or failure to be cured prior to the Termination Date;

(iii) by Seller, provided that it is not then in material breach of any of its obligations under this Agreement, if Buyer (i) fails in any material respect to perform any of its covenants in this Agreement when performance thereof is due or (ii) has breached in any material respect any of the representations or warranties contained in Section 4.2 of this Agreement, and does not cure such failure or breach within fifteen (15) Business Days after Seller delivers written notice thereof; provided, however, that Seller shall not be entitled to terminate this Agreement pursuant to this Section 9.1(a)(iii) if, prior to the expiration of such fifteen (15) Business Day period, Buyer delivers a certificate signed by an officer of Seller certifying that (A) Buyer reasonably believes that such breach or failure is capable of being cured prior to the Termination Date and (B) Buyer shall use its commercially reasonable efforts to cause such breach or failure to be cured prior to the Termination Date.

(b) In the event of termination pursuant to the provisions of this Section 9.1, this Agreement shall become void and have no effect, without any liability on the part of either

Party or its directors, officers or stockholders in respect of this Agreement, unless a Party committed a breach of or a default hereunder or otherwise failed to exercise commercially reasonable efforts to perform its obligations and to fulfill the conditions to the other Party's obligations hereunder, in which case the aggrieved Party shall be entitled to the remedy of specific performance in addition to any other available legal or equitable remedies.

## 9.2 Effect of Termination.

9.2.1 In the event that this Agreement is validly terminated in accordance with Section 9.1, then each of the Parties shall be relieved of its respective duties and obligations arising under this Agreement from and after the date of such termination and such termination shall be without liability to Buyer or Seller; provided, that no such termination shall relieve any Party from liability for any breach of this Agreement or other liability arising prior to termination hereof; and provided further, that the obligations of the Parties set forth in Sections 7.2, 7.3, 9.1(b) and 9.2.2 and ARTICLE X shall survive any such termination and shall be enforceable hereunder.

9.2.2 If this Agreement is validly terminated by Seller pursuant to Section 9.1(a)(iii), or by either Party as a result of the failure of the Closing to occur by the Termination Date as a result of Buyer's failure to effect the Closing notwithstanding the satisfaction or waiver of all the conditions set forth in Section 6.1, then the Deposit (together with any interest or other income that may have been earned thereon) shall be forfeited to Seller, and Buyer shall have no claim whatsoever thereto. If this Agreement is validly terminated for any other reason, then Seller shall refund the Deposit (excluding any interest or other income that may have been earned thereon to Buyer, to be paid by wire transfer of immediately available United States funds to an account designated by Buyer.

## ARTICLE X MISCELLANEOUS

10.1 Transfer Taxes. Buyer and Seller shall each pay one-half (50%) of all federal, state and local sales, documentary and other transfer Taxes, if any, due as a result of the purchase, sale or transfer of the Purchased Assets hereunder, whether imposed by Law upon Seller or Buyer. Each Party legally responsible for collection and payment to the Taxing authority of such Taxes shall make such payment, and the other Party shall upon invoice remit 50% of such paid Taxes to the first Party. The Party legally responsible for the filing of a Tax return with respect to any such sales, documentary or transfer Tax shall indemnify, reimburse and hold harmless the other in respect of the failure to file any reports or Tax returns required in connection therewith.

10.2 Waiver of Jury Trial; Certain Expenses. EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDINGS UNDER THIS AGREEMENT. In the event of the bringing of any proceeding by a Party against another Party in respect of any dispute arising out of this Agreement or any matter related hereto the prevailing Party shall be entitled to have and recover from the opposing Party all reasonable expenses, including reasonable attorneys' fees, incurred in connection therewith.

10.3 Notices. Unless otherwise provided herein, any notice, request, instruction or other document to be given hereunder by a Party to the other Party shall be in writing and shall be deemed to have been given (a) upon personal delivery, if delivered by hand, (b) eight (8) Business Days after the date of deposit in the mails, postage prepaid, if mailed by certified or registered mail, or (c) the next business day if sent by a prepaid overnight courier service, and in each case at the respective addresses set forth below or such other address as such Party may have fixed by notice:

If to Seller, addressed to:

MCI Communications Services, Inc.  
22001 Loudoun County Parkway  
Ashburn, Virginia 20147  
Facsimile: (703) 886-0895  
Attention: Stephen R. Mooney

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

Verizon Communications Inc.  
140 West Street, 29th Floor  
New York, New York 10007  
Facsimile: (908) 766-3813  
Attention: Marianne Drost, Esq.

If to Buyer, addressed to:

GoAmerica, Inc.  
433 Hackensack Avenue, 3rd Floor  
Hackensack, New Jersey 07601  
Facsimile: (201) 527-1084  
Attention: Daniel R. Luis, CEO

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

Chadbourne & Parke LLP  
1200 New Hampshire Avenue, N.W.  
Suite 300  
Washington, DC 20036  
Facsimile (202) 974-5602  
Attention: Dana Frix, Esq.

10.4 Successors and Assigns. This Agreement, and the Parties' respective rights and obligations hereunder, may not be assigned, by any Party, other than by change of control, merger, or operation of law. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, executors, administrators, successors and permitted assigns.

10.5 Severability. In the event any provision of this Agreement is found to be invalid, illegal or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall nevertheless be binding upon the Parties with the same effect as though the invalid, illegal or unenforceable part had been severed and deleted.

10.6 Knowledge Convention. Whenever any statement herein or in any Schedule, Exhibit, certificate or other document delivered to Buyer pursuant to this Agreement is made “to Seller’s knowledge” or words of similar intent or effect, Seller shall be accountable only for those facts, circumstances or events, which as of the date the representation is given, are actually known to the persons identified on Schedule 10.6.

10.7 Entire Agreement. This Agreement, including the Exhibits and Schedules hereto which form a part hereof and the Ancillary Documents contain the entire understanding of the Parties with respect to the subject matter contained herein and therein. This Agreement and the Ancillary Documents supersede all prior agreements and understandings, whether written or oral, between the Parties with respect to such subject matter, except for the Non-Disclosure Agreement which remains in full force and effect in accordance with its terms.

10.8 Amendments and Waivers. This Agreement may not be amended or modified except by written instrument duly executed by each of the Parties. Any term or provision of this Agreement may not be waived without the written consent of the Party entitled to the benefit thereof by a written instrument duly executed by such Party.

10.9 No Third Party Beneficiaries. Nothing in this Agreement shall confer any rights, remedies or other benefits to any Person other than the Parties, all persons entitled to indemnification hereunder and their respective successors and assigns permitted under Section 10.4.

10.10 Governing Law. The interpretation and construction of this Agreement, and all matters relating hereto, shall be governed by the laws of the State of New York without reference to its conflict of laws provisions. Seller and Buyer hereby voluntarily submit and consent to, and waive any defense to the jurisdiction of the federal or state courts located in the State of New York as to all matters relating to or arising from this Agreement.

10.11 Schedules and Exhibits. All Exhibits and Schedules referred to herein are intended to be and hereby are specifically made a part of this Agreement.

10.12 Counterparts. This Agreement may be executed and delivered originally, by facsimile or electronic signature and in two or more counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument.

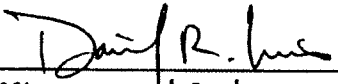
[Remainder of page intentionally left blank]

[Signature page of Asset Purchase Agreement]

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have duly executed this Agreement as of the date first written above.

ACQUISITION 1 CORP.

MCI COMMUNICATIONS SERVICES, INC.

By:   
Name: Daniel R. Luis  
Title: President

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature page of Asset Purchase Agreement]




[Signature page of Asset Purchase Agreement]

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have duly executed this Agreement as of the date first written above.

ACQUISITION 1 CORP.

MCI COMMUNICATIONS SERVICES, INC.

By: \_\_\_\_\_  
Name:  
Title:

By:   
Name: FRANCIS J. SHAMMO  
Title: SENIOR VICE PRESIDENT AND  
CHIEF FINANCIAL OFFICER