

repurchase, unless Verizon shall have objected to such repurchase within such five business day period); or (v) authorize or propose or enter into any contract, agreement, commitment or arrangement with respect to any of the matters prohibited by this Section 6.1(a);

(b) (i) acquire (by merger, consolidation, or acquisition of stock or assets) any corporation, partnership or other business organization or division thereof or make any investment in another entity (other than an entity which is a wholly owned Subsidiary of NorthPoint as of the date hereof and other than incorporation of a wholly owned Subsidiary of NorthPoint), except for acquisitions or investments in NorthPoint's Line of Business which do not exceed \$5,000,000 individually or

43

\$10,000,000 in the aggregate for all such acquisitions or investments; (ii) sell, pledge, dispose of, or encumber or authorize or propose the sale, pledge, disposition or encumbrance of any assets of NorthPoint or any of its Subsidiaries, except in the ordinary course of business consistent with past practice; (iii) otherwise enter into any line of business which is outside of NorthPoint's Line of Business; or (iv) authorize, enter into or amend any contract, agreement, commitment or arrangement with respect to any of the matters prohibited by this Section 6.1(b);

(c) incur any indebtedness other than borrowings under the Debt Financing, the Preferred Financing and the Company's existing senior secured credit facility (as in effect on the date hereof); provided, however, that the

Company may incur indebtedness (excluding indebtedness convertible into equity of NorthPoint) after January 1, 2001, if such indebtedness is incurred on an arm's length basis with nationally recognized financial institutions or with Verizon and the incurrence of such indebtedness does not exceed, individually or in the aggregate with all other incurrences of indebtedness (including any indebtedness incurred under the Debt Financing), \$200,000,000 per calendar quarter;

(d) except as provided in a side letter to be entered into by Verizon and NorthPoint within thirty days after the date hereof, take any action with respect to the grant of any severance or termination pay, stay bonus, or other incentive arrangements (otherwise than pursuant to any NorthPoint Plan or any policies, arrangements and agreements of NorthPoint which were in effect on, or offered or approved to be offered by the board of directors or senior management of NorthPoint prior to the date hereof, or pursuant to any renewal or extension subsequent to the date hereof of the duration of the term of any such benefit plans, policies, arrangements or agreements), or with respect to any increase in benefits payable under its severance or termination pay policies, or stay bonus or other incentive arrangements in effect on the date hereof;

(e) except in the ordinary course of business consistent with past practice, take any action with respect to increases in employee compensation, take any action to adjust the exercise price or number of shares underlying options awarded under any NorthPoint Plan or make any payments under any NorthPoint Plan to any director or employee of, or independent contractor or consultant to, NorthPoint or any of its Subsidiaries, adopt or otherwise materially amend any NorthPoint Plan or enter into or amend any employment or consulting agreement, or grant or establish any new awards under any such existing NorthPoint Plan or agreement;

44

(f) change in any material respect its accounting policies, methods or procedures except as required by GAAP or change any material Tax election or enter into any material settlement for Taxes;

(g) take any action which it believes when taken could reasonably be expected to adversely affect or delay in any material respect the ability of any of the parties hereto to obtain any approval of any Governmental Entity required

to consummate the transactions contemplated hereby;

(h) other than pursuant to this Agreement, take any action to cause the shares of NorthPoint Common Stock to cease to be quoted on Nasdaq;

(i) (i) other than as consistent with past practice, issue stock appreciation rights, performance shares, restricted stock, or similar equity based rights; (ii) materially modify (with materiality to be determined with respect to the benefit plan in question) any actuarial cost method, assumption or practice used in determining benefit obligations, annual expense and funding for any Benefit Plan, except to the extent required by GAAP; (iii) materially modify (with materiality to be determined with respect to the Benefit Plan trust in question) the investment philosophy of the Benefit Plan trusts or maintain an asset allocation which is not consistent with such philosophy, subject to any ERISA fiduciary obligation; (iv) subject to any ERISA fiduciary obligation, enter into any outsourcing agreement, or any other material contract relating to the Benefit Plans or management of the Benefit Plan trusts; (v) offer any new or extend any existing retirement incentive, "window" or similar benefit program; (vi) grant any ad hoc pension increase; (vii) establish any new or fund any existing "rabbi" or similar trust (except in accordance with the current terms of such trust), or enter into any other arrangement for the purpose of securing non-qualified benefits or deferred compensation; (viii) adopt any corporate owned life insurance program; or (ix) adopt or implement any "split dollar" life insurance program; or

(j) take any action which it believes when taken would cause its representations and warranties contained herein to become inaccurate in any material respect.

Nothing in this Section 6.1 shall restrict the ability of NorthPoint's wholly owned

45

Subsidiaries to do any of the following: (a) pay dividends (in cash or otherwise), or make any other distributions, to NorthPoint or any of its wholly owned Subsidiaries in respect of its capital stock or in respect of any other interest participating in, or measured by, its profits or pay any indebtedness owed to NorthPoint or any of its Subsidiaries; (b) make loans or advances to NorthPoint or any of its wholly owned Subsidiaries; or (c) transfer any of its property or assets to NorthPoint or any of its wholly owned Subsidiaries.

Section 6.2 Conduct of the Verizon DSL Business Pending the

Effective Time. Verizon covenants and agrees that between the date hereof and

the Effective Time, unless NorthPoint shall otherwise consent in writing, except as described in Schedule 6.2 and except in connection with the transactions contemplated hereby, Verizon and its Subsidiaries shall own and operate the Verizon DSL Business only in a manner consistent with past practices, and such entities shall not take any action except in the ordinary course of business and in a manner consistent with the capital expenditure program previously delivered by Verizon to NorthPoint; and each of Verizon and its Subsidiaries will use its commercially reasonable efforts to keep available the services of those of their present officers, employees and consultants who are integral to the operation of the Verizon DSL Business as presently conducted and to preserve their present relationships with significant customers and suppliers of the Verizon DSL Business and with other Persons with whom they have significant business relations with respect to the Verizon DSL Business. By way of amplification and not limitation, except as set forth in Schedule 6.2 or as otherwise expressly contemplated by this Agreement, Verizon and its Subsidiaries will not, between the date hereof and the Effective Time, directly or indirectly, do any of the following without the prior written consent of NorthPoint:

(a) except in the ordinary course of business consistent with past practice, take any action with respect to increases in compensation of the Transferred Employees, excluding employees who are covered by a collective

bargaining agreement to which Verizon or one of its Subsidiaries is a party (the "Non-represented DSL Employees"), take any action to adjust the exercise price or number of shares underlying options awarded to any Non-represented DSL Employee or make any other payments to any Non-represented DSL Employee;

(b) take any action which it believes when taken could reasonably be expected to adversely affect or delay in any material respect the ability of any of the parties hereto to obtain any approval of any Governmental Entity required to consummate the transactions contemplated hereby; or

46

(c) take any action which it believes when taken would cause its representations and warranties contained herein to become inaccurate in any material respect.

Section 6.3 No Solicitation. From and after the date hereof,

NorthPoint shall not, nor shall it permit any of its Subsidiaries to, nor shall it authorize or permit any of its, or any of its Subsidiaries', officers, directors or employees or any investment banker, financial advisor, attorney, accountants or other representatives retained by it or any of its Subsidiaries to, directly or indirectly through another Person, (i) solicit, initiate or encourage (including by way of furnishing information), or knowingly take any other action designed to facilitate, any Alternative Transaction or (ii) participate in any discussion with or provide any confidential information or data to any Person relating to an Alternative Transaction, or engage in any negotiations concerning an Alternative Transaction, or knowingly facilitate any effort or attempt to make or implement an Alternative Transaction or accept an Alternative Transaction; provided, however, that if, at any time prior to

approval of the Merger by the holders of NorthPoint Common Stock, (A) NorthPoint has received an unsolicited bona fide written proposal relating to an Alternative Transaction which did not result from a breach of this Section 6.3, (B) the Board of Directors of NorthPoint concludes in good faith (after consultation with a financial advisor of nationally recognized reputation and receiving the advice of its outside counsel) (I) that such proposal constitutes a NorthPoint Superior Proposal and (II) that the failure to provide such information or participate in such negotiations or discussions would result in a breach by the Board of Directors of NorthPoint of its fiduciary duties to NorthPoint stockholders under applicable law, NorthPoint may, subject to giving Verizon at least five business days' written notice of its intention to do so, (x) furnish information with respect to NorthPoint and its Subsidiaries to any Person pursuant to a customary confidentiality agreement containing terms no less restrictive than the terms of the Nondisclosure Agreement dated April 7, 2000 entered into among NorthPoint, Bell Atlantic Corporation and GTE Corporation, as amended (the "Nondisclosure Agreement"), provided that a copy of

all such information is delivered simultaneously to Verizon if it has not previously been so furnished to Verizon, and (y) participate in negotiations regarding such proposal. NorthPoint shall as soon as practicable (and in any event within 24 hours) notify Verizon orally and in writing of any request for information or of any proposal in connection with an Alternative Transaction, the terms and conditions of such request or proposal (including a copy thereof, if in writing, and all other documentation and any related correspondence) and the identity of the Person making such request or proposal. NorthPoint will keep Verizon fully informed of the status and details

47

(including amendments or proposed amendments) of such request or proposal, and any discussions relating thereto, on a current basis. NorthPoint shall, and shall cause its officers, directors and representatives to, immediately cease and terminate any existing solicitation, initiation, encouragement, activity, discussion or negotiation with any Persons conducted heretofore by NorthPoint or its representatives with respect to the foregoing. NorthPoint agrees that it will use its commercially reasonable efforts to promptly inform its directors,

officers, employees and representatives of the obligations undertaken in this Section 6.3. NorthPoint (i) agrees not to release any Third Party from, or waive any provision of, or fail to enforce, any standstill agreement or similar agreements to which it is a party related to, or which could affect, an Alternative Transaction and agrees that Verizon shall be entitled to enforce NorthPoint's rights and remedies under and in connection with such agreements and (ii) acknowledges that the provisions of clause (i) are an important and integral part of this Agreement. Nothing contained in this Section 6.3(a) or Section 7.2 hereof shall prohibit NorthPoint from taking and disclosing to its stockholders a position as required by Rule 14e-9 or Rule 14e-2(a) promulgated under the Exchange Act. Notwithstanding anything herein to the contrary, NorthPoint shall submit this Agreement to the stockholders of NorthPoint at the NorthPoint Stockholders' Meeting for the purposes of adopting this Agreement and approving the Merger whether or not the Board of Directors of NorthPoint makes a determination that a proposal constitutes a NorthPoint Superior Proposal.

Section 6.4 Regulatory Compliance Costs.

(a) Within 60 days after the date hereof, NorthPoint and Verizon shall agree on a plan (the "Regulatory Compliance Plan") to bring NorthPoint's then-existing network into compliance with any and all state and federal regulations applicable to Verizon that would become applicable to the operations of NorthPoint from and after the Effective Time as a result of the consummation of the Asset Contribution and the Merger. Both Parties shall use all commercially reasonable efforts to minimize the cost of implementing the Regulatory Compliance Plan. The Regulatory Compliance Plan shall include the cost of (i) incremental network facilities, (ii) incremental equipment in existing facilities, (iii) non-recurring and monthly recurring charges of new transportation circuits for NorthPoint's customers, (iv) non-recurring and monthly recurring charges for new transportation circuits for NorthPoint's backbone network, (v) operating support systems changes, and (vi) personnel time and materials required to effect such changes (the "Compliance Expenses"). At the beginning of each calendar month, NorthPoint shall submit to Verizon a detailed report of all Compliance Expenses, describing the nature, date,

48

amount and location of each Compliance Expense paid during the immediately preceding calendar month and, within five business days of receipt of such report, Verizon shall reimburse NorthPoint for Compliance Expenses incurred during such preceding month which are in accordance with the Regulatory Compliance Plan.

(b) At the Closing, the Cash Amount shall be reduced by an amount equal to 45% of the Compliance Expenses theretofore reimbursed by Verizon.

(c) In the event that this Agreement is terminated pursuant to Section 9.1(d)(i)(A) hereof, in addition to any other remedies contained herein, NorthPoint shall be entitled to retain any reimbursement payments made by Verizon in respect of Compliance Expenses.

(d) In the event that this Agreement is terminated pursuant to Section 9.1(d)(ii)(A) hereof, in addition to any other remedies contained herein, NorthPoint shall make a cash payment to Verizon within five business days of such termination in an amount equal to 100% of the reimbursement payments previously made by Verizon in respect of Compliance Expenses.

(e) In the event this Agreement is terminated for any reason other than pursuant to Section 9.1(d)(i)(A) or 9.1(d)(ii)(A) hereof, NorthPoint shall make a cash payment to Verizon within five business days of such termination in an amount equal to 50% of the reimbursement payments previously made by Verizon in respect of Compliance Expenses.

Section 6.5 Real Estate Matters.

(a) All leases, contracts and arrangements with respect to occupancy by the Verizon Network Equipment Assets of space in the Verizon Central Offices shall be transferred to Parent at the Effective Time and included in the Assumed Verizon Contracts, substantially at the rates offered by Verizon to DLECs generally in the market in which such Verizon Central Office is located. In the event that any rack located in an Verizon Central Office is used in connection with the Verizon DSL Business and is shared with any other Affiliate of Verizon as of the Effective Time (any such Affiliate of Verizon, together with Parent, are referred to as the "Sharing Parties"), from and after the Effective Time, the Sharing Party which is the primary user of such rack shall retain the payment obligations to the owner of such Verizon Central Office with respect thereto and the Sharing Party

49

which is not the primary user of such rack shall reimburse such primary user in a manner to be agreed upon.

(b) (i) All leases, contracts and arrangements with respect to the occupancy of premises not located in an Verizon Central Office which are used exclusively in connection with the Verizon DSL Business as of the Effective Time shall be transferred to Parent at the Effective Time and included in the Assumed Verizon Contracts, except to the extent subject to a regulatory prohibition or the imposition of incremental obligations on Verizon or its Affiliates, including a non-discrimination obligation. Any changes from and after the Effective Time with respect to such leases, contracts and arrangements relating to such facilities shall be made at the sole discretion of, and the expense of, Parent.

(ii) All leases, contracts and arrangements with respect to the occupancy of premises not located in an Verizon Central Office which at the Effective Time are shared by the Verizon DSL Business with another Affiliate or business of Verizon (the "Shared Facilities") shall be transferred to Parent at the Effective Time (provided that Parent shall assume only a pro rated portion of the obligations under such leases, contracts and arrangements based on the relative uses of such premises) and included in the Assumed Verizon Contracts, except to the extent subject to a regulatory prohibition or the imposition of incremental obligations on Verizon or its Affiliates, including a non-discrimination obligation; provided, however, that as soon as practicable

 following the Closing Date, but in no event later than the six-month anniversary of the Closing Date, Parent shall have the right, exercisable one time, to notify Verizon (the "Lease Rejection Notice") that it desires to reassign to Verizon any of the leases, contracts and arrangements related to Shared Facilities that in the sole discretion of Parent it does not choose to continue to use. The Lease Rejection Notice shall specify all Shared Leases to be reassigned. Such reassignment of each such Shared Lease shall be effected promptly upon vacation of the particular subject premises by Parent, and Parent shall be responsible for the payment of all amounts accrued with respect to such Shared Lease up to the date of such reassignment.

(iii) Transferred Employees that at the Effective Time are in facilities covered by Shared Leases included in the Lease Rejection Notice are referred to herein as "Relocated Employees."

50

Section 6.6 Facilities Related Payments.

(a) Commencing as soon as practicable after the date hereof, NorthPoint will use its commercially reasonable efforts to review the facilities locations of the Verizon DSL Business with a view toward determining what infrastructure Parent shall require and shall submit to Verizon, not later than the six-month anniversary of the Closing Date, a detailed listing by facility of the Facilities Related Payments (as defined below). Upon the written request of

any Party, the Parties will resolve any dispute, controversy or claim arising out of or relating to the determination of the Facilities Related Payments (a "Dispute") in accordance with the procedures set forth in Section 6.6(d) hereof. Within five business days of the final determination of the amount of the Facilities Related Payments, Verizon will reimburse NorthPoint in cash in an amount, if any, equal to the lesser of (x) the Facilities Related Payments and (y) \$20 million. The term "Facilities Related Payments" shall mean the sum of the Facilities Assets Amounts plus any Capitalized Co-Location Fees paid by NorthPoint as a direct result of the transactions contemplated by this Agreement, reduced by any payments made by Verizon or an Affiliate of Verizon with respect to Capitalized Co-Location Fees directly resulting from the transactions contemplated by this Agreement.

(b) "Facilities Assets" means tenant improvements, shared information technology ("IT") infrastructure (e.g., local area network/wide area network, printer, copier, fax), individual IT infrastructure (e.g., personal computer, software licenses, telephone, PBX, pager), office furniture (e.g., cubicle, desk, chair, filing cabinet and common area furnishings), office supply inventory, and field technician assets (e.g., tools, test equipment, field vehicles).

(c) "Capitalized Co-Location Fees" means capitalized central office co-location fees and co-location application fees, capitalized engineering charges related to central office co-location, and capitalized upfront ILEC technician training expenses for any of the Verizon Central Offices, but shall not include capitalized labor and other costs associated with the installation, provisioning, modification and upgrading of equipment.

51

(d) (i) The Parties agree to seek resolution of any Dispute in accordance with the procedures set forth in this Section 6.6(d) upon the written request of any Party. The Parties shall first attempt in good faith to reach resolution of such Dispute through discussions at the non-executive level. If such Dispute is not resolved within 15 days after the date of receipt by any Party of a written request for discussions at the non-executive level, the matter may be referred to a senior-level employee at the level of vice president or above of each Party (each a "Dispute Representative") in accordance with the following procedures. Either Party may submit a written notice ("Second Written Notice") following the end of the 15 day period referred to above. The notice shall set out the nature of the Dispute and shall identify the Dispute Representative in the notifying Party's organization, who shall have the authority to agree to final resolution of the Dispute. Within five business days of receipt of such notice, the receiving Party shall respond in writing with designation of its Dispute Representative, who shall have the authority to agree to final resolution of the Dispute. The Dispute Representatives shall meet within five business days after the receiving party's notice was received and shall negotiate to resolve the Dispute. The discussions shall be left to the discretion of the Dispute Representatives, who may agree to utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the Dispute Representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, shall be exempt from discovery and production, and shall not be admissible in any arbitration or lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise admissible, be admitted in evidence in an arbitration or lawsuit. The Parties agree to pursue resolution under this section for a minimum of 45 days following the Second Written Notice requesting initiation of these dispute resolution procedures before pursuing arbitration as set forth in Section 6.6(d)(ii) below.

(ii) If the Parties cannot resolve the claim or dispute covered by the procedure set forth in Section 6.6(d)(i) above in accordance with the negotiation procedure set forth therein, any Party shall have the right to cause the other Parties to enter into binding arbitration in accordance with the rules

of the American Arbitration Association then in effect. A Party must initiate such arbitration no later than 30 days following conclusion of the dispute resolution process set forth in Section 6.6(d)(i) above. The arbitration shall be conducted on an expedited basis in the County of New York, in the State of New York. Three

52

arbitrators, each having at least five years of experience in the telecommunications field, shall be appointed, one by each Party, and then one selected jointly by those two arbitrators, for such arbitration. Any award rendered therein shall specify the findings of fact of the arbitrators and the reasons for such award, with reference to and reliance on relevant law. The award, if any, shall be final and binding upon the Parties, and shall be the sole and exclusive remedy between the Parties regarding the claim or dispute submitted for arbitration pursuant to this Section 6.6(d)(ii). Judgment upon any award may be entered in any court having jurisdiction. The Parties shall each be responsible for their own costs in the arbitration and shall share equally in the cost of the arbitrator and any related costs such as meeting space and the like.

(e) Verizon will provide Facilities Assets for Transferred Employees either through the transfer of pre-existing used and useful Facilities Assets or through the payment of Facilities Assets Amounts as hereinafter set forth. Under no circumstances will Facilities Assets Amounts be payable with respect to any employees other than Relocated Employees or any facilities not included in the Lease Rejection Notice.

(f) "Facilities Assets Amounts" shall mean, with respect to Relocated Employees only, a one-time fee of \$26,600 per management employee, \$19,200 per non-management employee, and \$19,500 per field technician employee, offset in each case by the net book value of any Facilities Assets associated with such Relocated Employee.

Section 6.7 Systems Assets. After the Closing Date, operations

support systems ("OSS") will be obtained by Parent from Verizon or its Affiliates on a service bureau basis. These systems and services will be of the type described on Schedule 6.7. The systems and services will be provided through a contract, which shall include appropriate service level standards, at a cost not to exceed \$4 million per month for base functionality at the Closing Date, increasing by \$333,333 per month commencing on the thirteenth month following the Closing Date, and such contract shall be for a term of not in excess of 18 months. Any additional enhancements and features beyond those provided for in the contract shall be separately negotiated and will be provided on an arm's-length basis. Such contract will be terminable by Parent on 90 days prior written notice.

53

Section 6.8 Future Contracts. The parties hereto acknowledge that

after the Closing from time to time Parent may desire to contract with Verizon or its Affiliates for certain ongoing services. The parties agree to use commercially reasonable efforts to negotiate arm's-length contracts or arrangements relating to the provision of any such services as may be requested by Parent from time to time.

Section 6.9 Master Services Agreement. Concurrently with the

execution of this Agreement, the parties hereto are entering into a Master Services Agreement in the form attached as Exhibit H hereto.

Section 6.10 Vendor Contracts. Verizon shall use its commercially

reasonable efforts (including requesting consents from vendors where required) to enable Parent, from and after the Effective Time, to make purchases under

vendor contracts applicable to Affiliates of Verizon to the extent permitted by such vendor contracts, provided that the making by Parent of such purchases would not (i) require the payment of compensation or other consideration by Verizon and its Affiliates other than Parent to any third party or (ii) have any adverse effect upon Verizon and its Affiliates.

ARTICLE VII

ADDITIONAL AGREEMENTS

Section 7.1 Proxy Statement and Registration Statement.

(a) As promptly as practicable after the execution and delivery of this Agreement, the Parties shall, in compliance with applicable law, (x) prepare and file with the SEC and any applicable blue sky authorities the Registration Statement, and shall use all commercially reasonable efforts to cause the Registration Statement to be declared effective by the SEC and such authorities; and (y) prepare and file with the SEC and shall use all commercially reasonable efforts to have cleared by the SEC, and promptly thereafter NorthPoint shall mail to the holders of record of shares of NorthPoint Common Stock, the Proxy Statement, provided, however, that NorthPoint shall not mail or otherwise furnish the Proxy Statement to its stockholders unless and until:

(i) it has received notice from the SEC that the Registration Statement has been declared effective under the 1933 Act;

54

(ii) Parent shall have received a letter of PricewaterhouseCoopers LLP, dated a date within two business days prior to the date of the first mailing of the Proxy Statement, and addressed to Parent, in form and substance reasonably satisfactory to Parent and customary in scope and substance for "cold comfort" letters delivered by independent public accountants in connection with registration statements on Form S-4 with respect to the financial statements of NorthPoint included in the Proxy Statement and the Registration Statement;

(b) The parties will cooperate in the preparation of the Proxy Statement (including the preparation of the financial statements contained therein) and the Registration Statement and in having the Registration Statement declared effective as soon as practicable; and

(c) Each Party will promptly inform the other Parties of the receipt by it of any comments from the SEC or its staff and of any request by the SEC for amendments or supplements to the Proxy Statement or the Registration Statement or for additional information and will supply the other Parties hereto with copies of all correspondence between it and its representatives, on the one hand, and the SEC or the members of its staff or any other governmental official, on the other hand, with respect to the Proxy Statement or the Registration Statement.

Section 7.2 NorthPoint Stockholder Meeting.

(a) As promptly as practicable after the Registration Statement is declared effective under the Securities Act, NorthPoint (i) shall duly take all lawful action to call, give notice of, convene and hold a meeting of its stockholders on a date determined in accordance with the mutual agreement of NorthPoint and Verizon (the "NorthPoint Stockholders' Meeting") for the purpose of obtaining the NorthPoint Stockholder Approval, (ii) shall take all lawful action to solicit the adoption of this Agreement and (iii) shall, subject to the provisions of Section 7.2(b) hereof, through its Board of Directors, recommend to its stockholders the approval of the Merger. If on the date of the NorthPoint Stockholders' Meeting, NorthPoint has not received duly executed proxies which, when added to the number of votes represented in Person at the

meeting by Persons who intend to vote to adopt this Agreement, will constitute a sufficient number of votes to adopt this Agreement, then NorthPoint shall take all action necessary or appropriate to adjourn such meeting until the date ten days after the originally scheduled date of such meeting.

55

(b) Except as expressly permitted by this Section 7.2(b), neither the Board of Directors of NorthPoint nor any committee thereof shall (i) withdraw, qualify or modify, or propose to withdraw, qualify or modify, in a manner adverse to Verizon, the approval or recommendation of such Board of Directors or such committee of the Merger or take any action or make any statement in connection with the NorthPoint Stockholders' Meeting inconsistent with such approval or recommendation, (ii) approve or recommend, or propose publicly to approve or recommend, any Alternative Transaction or (iii) cause NorthPoint to enter into any letter of intent, agreement in principle, acquisition agreement or other similar agreement (each, a "NorthPoint Acquisition Agreement") related to any Alternative Transaction, provided that if prior to the adoption of the

 Merger by the holders of NorthPoint Common Stock the Board of Directors of NorthPoint determines in good faith, after it has received a NorthPoint Superior Proposal and after receipt of advice from outside counsel, that the failure to do so would result in a breach by the Board of Directors of NorthPoint of its fiduciary duties to NorthPoint stockholders under applicable law, the Board of Directors of NorthPoint may (subject to this and the following sentences) inform NorthPoint stockholders that it no longer believes that such adoption is advisable and no longer recommends approval (a "NorthPoint Subsequent Determination"), but only at a time that is after the fifth business day following delivery by NorthPoint to Verizon of written notice advising Verizon that the Board of Directors of NorthPoint has received a NorthPoint Superior Proposal specifying the terms and conditions of such NorthPoint Superior Proposal (and including a copy thereof with all accompanying documentation, if in writing), identifying the Person making such NorthPoint Superior Proposal and stating that it intends to make a NorthPoint Subsequent Determination. After providing such notice, NorthPoint shall provide a reasonable opportunity to Verizon, and shall cooperate in good faith with Verizon, to make such adjustments in the terms and conditions of this Agreement as would enable NorthPoint to proceed with its recommendation to its stockholders without a NorthPoint Subsequent Determination; provided, however, that any such adjustment

 shall be at the discretion of the parties at the time. Notwithstanding any NorthPoint Subsequent Determination, this Agreement shall be submitted by NorthPoint to the stockholders of NorthPoint at the NorthPoint Stockholders' Meeting for the purpose of adopting this Agreement and approving the Merger and nothing herein will be deemed to relieve NorthPoint of such obligation.

(c) For purposes of this Agreement, a NorthPoint Subsequent Determination shall be deemed to include, without limitation, any action or activity described in clauses (i), (ii) or (iii) of paragraph (b) of this Section 7.2.

56

Section 7.3 Additional Agreements.

 (a) Each of the Parties will comply in all material respects with all applicable laws and with all applicable rules and regulations of any Governmental Entity in connection with its execution, delivery and performance of this Agreement and the transactions contemplated hereby. Each of the Parties agrees to use all commercially reasonable efforts to obtain in a timely manner all necessary waivers, consents and approvals and to effect all necessary registrations and filings, and to use all commercially reasonable efforts to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and

to effect all necessary filings under the 1933 Act, the Exchange Act and the HSR Act. Without limiting the generality of the foregoing, each of Verizon and NorthPoint shall promptly prepare and file a Premerger Notification in accordance with the HSR Act, shall promptly comply with any requests for additional information, and shall use its commercially reasonable efforts to obtain termination of the waiting period thereunder as promptly as practicable.

(b) Each of Verizon and NorthPoint shall, in connection with the efforts referenced in Section 7.3(a) hereof, (i) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party; (ii) promptly inform the other party of any material communication received by such party from, or given by such party to any Governmental Entity and of any material communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby and (iii) consult with each other in advance of any meeting or conference with any such Governmental Entity or, in connection with any proceeding by a private party, with any other Person, and to the extent permitted by the applicable Governmental Entity or other Person, give the other Party the opportunity to attend and participate in such meetings and conferences.

(c) In furtherance and not in limitation of the covenants of the parties contained in Sections 7.3(a) and (b) hereof, if any administrative or judicial action or proceeding, including any proceeding by a private party, is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement as violative of any applicable law, or if any statute, rule, regulation,

57

executive order, decree, injunction or administrative order is enacted, entered or promulgated or enforced by a Governmental Entity which would make the Merger, the Asset Contribution or the other transactions contemplated hereby illegal or otherwise prohibit or materially impair or delay consummation of the transactions contemplated hereby, each of Verizon and NorthPoint shall cooperate in all respects with each other and use all commercially reasonable efforts to contest and resist any such action or proceeding, to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement and to have such statute, rule, regulation, executive order, decree, injunction or administrative order repealed, rescinded or made inapplicable.

(d) Nothing in this Agreement shall require Parent, NorthPoint, Verizon or their respective Subsidiaries to sell, hold separate or otherwise dispose of or conduct their business in a manner, or agree to sell, hold separate or otherwise dispose of or conduct their business in a specified manner or permit the sale, holding separate or other disposition, of any assets of Parent, NorthPoint, Verizon or their respective Subsidiaries or the conduct of their business in a specified manner, whether as a condition to obtaining any approval from a Government Entity or any other Person or for any other reason, if such sale, holding separate or other disposition or the conduct of their business in a specified manner, in the aggregate, would have a Material Adverse Effect on Parent, NorthPoint, Verizon or the Verizon DSL Business, after giving effect to the Merger.

(e) Notwithstanding the foregoing or any other provision of this Agreement, nothing in this Section 7.3 shall limit a Party's right to terminate this Agreement pursuant to Section 9.1 hereof so long as such Party has up to then complied in all respects with its obligations under this Section 7.3.

Section 7.4 Access to Information.

(a) Upon reasonable notice by Verizon, NorthPoint shall, and shall cause its Subsidiaries, and its and their officers, directors, employees,

auditors, counsel and agents to, afford the officers, employees, auditors, counsel and agents of Verizon with reasonable access during normal business hours to NorthPoint's and its Subsidiaries' officers, employees, auditors, counsel agents, properties, offices and other facilities and to their respective books and records, and shall furnish Verizon

58

with financial, operating and other data and information as Verizon may reasonably request, including in connection with confirmatory due diligence.

(b) Verizon agrees that all information received from NorthPoint pursuant to Section 7.4(a) hereof shall be deemed received pursuant to the Nondisclosure Agreement and Verizon shall comply, and shall cause its Subsidiaries and each of its and their respective officers, directors, employees, financial advisors and agents ("Party Representatives") to comply, with the provisions of the Nondisclosure Agreement with respect to such information and the provisions of the Nondisclosure Agreement are hereby incorporated herein by reference with the same effect as if fully set forth herein, provided that such information may be used for any purpose contemplated hereby.

(c) Upon reasonable notice by NorthPoint, Verizon shall afford, and shall cause its Subsidiaries and its and their officers, directors, employees, auditors, counsel and agents to afford, the officers, employees, auditors, counsel and agents of NorthPoint with reasonable access during normal business hours to Verizon's and its Subsidiaries' officers, employees, auditors, counsel agents, properties, offices and other facilities and to their respective books and records, but in each case only to the extent related to the Verizon DSL Business, and shall furnish NorthPoint with financial, operating and other data and information regarding the Verizon DSL Business as NorthPoint may reasonably request, including in connection with confirmatory due diligence.

(d) NorthPoint agrees that all information received from Verizon pursuant to Section 7.4(c) hereof shall be deemed received pursuant to the Nondisclosure Agreement and NorthPoint shall comply, and shall cause its Subsidiaries and each of its and their Party Representatives to comply, with the provisions of the Nondisclosure Agreement with respect to such information and the provisions of the Nondisclosure Agreement are hereby incorporated herein by reference with the same effect as if fully set forth herein, provided that such information may be used for any purpose contemplated hereby.

Section 7.5 Public Announcements. None of the Parties shall issue

any press release or public statement with respect to this Agreement or the transactions contemplated hereby, including the Merger and the other agreements referred to herein, without the other Parties' prior consent, except as may be required by applicable law or court process. In addition, the Parties will consult with each other, and will provide each other with a reasonable opportunity to review and

59

comment upon, any such press release or other public statements prior to their issuance. The Parties agree that the initial press release or releases to be issued with respect to the transactions contemplated by this Agreement shall be mutually agreed upon prior to the issuance thereof.

Section 7.6 Indemnification; Maintenance of NorthPoint's

Indemnification, Directors' and Officers' Insurance. For a period of six years

after the Effective Time, Parent shall cause NorthPoint to, and Parent shall, maintain in effect the current policies of directors' and officers' liability insurance and fiduciary liability insurance maintained by NorthPoint (provided that Parent may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are, in the aggregate, no less advantageous to the insured in any material respect) with respect to all possible claims arising from facts or events which occurred on or before the Effective Time. Parent shall cause NorthPoint to maintain in effect (a) the current provisions regarding indemnification of officers and directors contained in the charter and by-laws of NorthPoint and each of its Subsidiaries until the statutes of limitations for all possible claims have run; provided that Parent need not cause NorthPoint to maintain in effect indemnification provisions contained in the charter and by-laws of its Subsidiaries if and to the extent that Parent assumes such indemnity obligations; and (b) any directors, officers or employees indemnification agreements of NorthPoint and its respective Subsidiaries. Parent shall cause NorthPoint to, and Parent shall, indemnify the directors and officers of NorthPoint and Parent, respectively, to the fullest extent to which NorthPoint and Parent are permitted to indemnify such officers and directors under applicable law. As of the Effective Time, Parent shall unconditionally and irrevocably guarantee for the benefit of such directors, officers and employees the obligations of NorthPoint under the foregoing indemnification arrangements.

Section 7.7 Stock Market Listing. Each of the Parties shall use

its commercially reasonable best efforts to obtain, prior to the Effective Time, the approval for listing on Nasdaq, effective upon official notice of issuance, of the shares of Parent Common Stock into which the NorthPoint Common Stock will be converted pursuant to Article II hereof and which will be issuable upon exercise of options pursuant to Section 2.7 hereof.

60

Section 7.8 Post-Merger Parent Board of Directors.

(a) At the Effective Time, the Board of Directors of Parent shall consist of nine directors, of which six directors shall be individuals selected by Verizon (three of whom shall be independent directors within the meaning of the rules of Nasdaq) and three directors shall be individuals selected by NorthPoint.

(b) For a period of 18 months following the Closing, Verizon shall vote all of its shares of capital stock of Parent at each regular or special meeting of the stockholders of Parent called for the purpose of filling a position on the Board of Directors of Parent, or in any written consent executed in lieu of such meeting of stockholders, and shall use its reasonable efforts to cause each and every NorthPoint Nominee (as defined in the By-laws of Parent attached hereto as Exhibit C) to be elected to the Board of Parent in accordance

with By-laws of Parent, as amended from time to time.

Section 7.9 No Shelf Registration. Parent shall not be required to

amend or maintain the effectiveness of the Registration Statement for the purpose of permitting resale of the shares of Parent Common Stock received pursuant hereto by the Persons who may be deemed to be Rule 145 Affiliates of NorthPoint or Verizon. The shares of Parent Common Stock issuable upon exercise of options issuable pursuant to Section 2.7 hereof shall be registered under the 1933 Act and such registration shall be effective at the time of issuance.

Section 7.10 Affiliates. NorthPoint (i) has disclosed to Verizon in

Section 7.10 of the NorthPoint Disclosure Schedule all Persons who are, or may be, as of the date hereof its Rule 145 Affiliates under the Securities Act, and (ii) shall use all commercially reasonable efforts to cause each Person who is identified as an "affiliate" of it in Section 7.10 of the NorthPoint Disclosure Schedule to deliver to Verizon as promptly as practicable but in no event later than 48 hours prior to the Closing Date, a signed agreement substantially in the form attached hereto as Exhibit D. NorthPoint shall notify Verizon from time to

time of any other Persons who then are, or may be, such an "affiliate" and use all commercially reasonable efforts to cause each additional Person who is identified as an "affiliate" to execute a signed agreement as set forth in this Section 7.10.

61

Section 7.11 Blue Sky. Verizon, NorthPoint and Parent will use

their best efforts to obtain prior to the Effective Time all necessary blue sky permits and approvals required to permit the distribution of the shares of Parent Common Stock to be issued in accordance with the provisions of this Agreement.

Section 7.12 Tax-Free Reorganization.

(a) Each of the Parties will use its best efforts to cause (i) the Asset Contribution and the Merger to qualify as a transaction described in Section 351 of the Code and (ii) the Merger to qualify as a transaction described in Section 351 of the Code and a tax-free reorganization under Section 368(a) of the Code, and none of the Parties will take any action that would cause (A) the Merger to fail to qualify as either (x) a transaction qualifying under Section 351 of the Code or (y) a tax-free reorganization under Section 368(a) of the Code or (B) the Asset Contribution to qualify as a transaction qualifying under Section 351 of the Code (it being agreed that it shall not be a violation of this Section 7.12(a) if the payment of the Cash Consideration Amount causes the Merger not to qualify as a tax-free reorganization under Section 368(a) of the Code).

(b) NorthPoint will deliver an Officer's Certificate substantially in the form of Exhibit E, Parent will deliver an Officer's Certificate

substantially in the form of Exhibit F and Verizon will deliver an Officer's

Certificate substantially in the form of Exhibit G, in each case executed as of

the date of the Proxy Statement and as of the Closing Date, and as may be reasonably requested by counsel to any Party. NorthPoint will use its commercially reasonable efforts to procure from each NorthPoint stockholder that will hold five percent or more of the Parent Common Stock outstanding immediately following the Merger and Asset Contribution, a certificate, executed as of the date of the Proxy Statement and the Closing Date, substantially to the effect that such stockholder has no plan or intention to sell or otherwise dispose of such Parent Common Stock received in the Merger.

Section 7.13 Employment and Employee Benefits Matters. Concurrently

with the execution of this Agreement, NorthPoint and Verizon are entering into an Employee Matters Agreement substantially in the form attached as Exhibit I

hereto.

Section 7.14 Indemnification by Verizon.

(a) Verizon shall indemnify, save and hold harmless NorthPoint and its Subsidiaries, and their respective directors, officers, stockholders and employees (the "NorthPoint Indemnified Parties"), from and against any and all losses, liabilities, damages, lawsuits, claims, demands and expenses (including without limitation reasonable attorneys' fees and all reasonable amounts paid in investigation, defense or settlement) incurred by the NorthPoint Indemnified Parties in connection with, arising out of, or resulting from any claims against Verizon that have been or will be asserted in respect of the Verizon DSL Assets in actions captioned Covad Communications Co. et al. v. Bell Atlantic

Corporation, District Court for the District of Columbia, Christopher Specht v. -----

Bell Atlantic Corporation, Supreme Court of New York, and Walter Scott et al. v. -----

Bell Atlantic Corporation and Bell Atlantic Internet Solutions, Inc., Supreme -----

Court of New York, but only to the extent arising out of claims against the Verizon DSL Assets in respect of actions taken by Verizon prior to the Effective Time.

(b) If a NorthPoint Indemnified Party shall receive notice or otherwise learn of the assertion by a Person who is not a party to this Agreement of any claim or of the commencement by any such Person of any Action (a "Third Party Claim") with respect to which Verizon may be obligated to provide indemnification, such NorthPoint Indemnified Party shall give Verizon written notice thereof promptly after becoming aware of such Third Party Claim. Such notice shall describe the Third Party Claim in reasonable detail, and shall indicate the amount (estimated if necessary) of the loss that has been or may be sustained by or is claimed against such NorthPoint Indemnified Party. Such notice shall be a condition precedent to any liability by Verizon for any Third Party Claim under the provisions for indemnification contained in this Agreement.

(c) Verizon may, in its sole discretion, elect to compromise, settle or defend, at Verizon's own expense and by Verizon's own counsel, any Third Party Claim without the prior consent of any NorthPoint Indemnified Party.

(d) If Verizon chooses to defend any claim, the applicable NorthPoint Indemnified Party shall make available to Verizon any personnel or any books, records or other documents within its control that are necessary or appropriate for such defense.

(e) Notwithstanding anything else in this Section 7.14, if an offer of compromise or settlement is received by Verizon with respect to a Third Party Claim and Verizon notifies the applicable NorthPoint Indemnified Party in writing of Verizon's willingness to compromise or settle such Third Party Claim as to Verizon and such NorthPoint Indemnified Party declines to accept such compromise or settlement as applied to such Indemnified Third Party following Verizon's entering into such compromise or settlement, such NorthPoint Indemnified Party may continue to contest such Third Party Claim as to itself, free of any participation by Verizon, at such NorthPoint Indemnified Party's

sole expense. In such event, the obligation of Verizon to such NorthPoint Indemnified Party with respect to such Third Party Claim shall be equal to the lesser of (i) the amount of the offer of compromise or settlement which such NorthPoint Indemnified Party declined to accept plus the costs and expenses of such NorthPoint Indemnified Party prior to the date Verizon notifies such NorthPoint Indemnified Party of the offer to compromise or settle and (ii) the actual out-of-pocket amount such NorthPoint Indemnified Party is obligated to pay as a result of such NorthPoint Indemnified Party's continuing to contest such Third Party Claim. Verizon shall be entitled to recover (by setoff or otherwise) from an NorthPoint Indemnified Party any additional expenses incurred by Verizon as a result of such NorthPoint Indemnified Party's decision to continue to contest such Third Party Claim.

(f) If the amount of any indemnifiable loss shall, at any time subsequent to payment pursuant to this Agreement, be reduced by recovery, settlement or otherwise, the amount of such reduction, less any expenses incurred in connection therewith, shall promptly be repaid by the applicable NorthPoint Indemnified Party to Verizon.

(g) In the event of payment by Verizon to any NorthPoint Indemnified Party in connection with any Third Party Claim, Verizon shall be subrogated to and shall stand in the place of such NorthPoint Indemnified Party as to any events or circumstances in respect of which such NorthPoint Indemnified Party may have any right or claim relating to such Third Party Claim. Such NorthPoint Indemnified Party shall cooperate with Verizon in a reasonable manner, and, at the cost and expense of Verizon, in prosecuting any subrogated right or claim.

64

Section 7.15 Preemptive Right. If, from and after the Effective

Time and until the second anniversary of the date hereof, Parent determines to issue any shares of any class of capital stock or any securities convertible into capital stock (other than (i) issuances of pro rata stock dividends to holders of Parent Common Stock and (ii) stock issued upon the exercise of a Mirror Equity Right), Verizon shall be entitled to purchase, at a price and on such terms as are no less favorable to Verizon than offered by Parent to the proposed transferee, additional shares of such capital stock or securities convertible into capital stock in such amounts as is necessary to maintain Verizon's percentage ownership of the outstanding Parent Common Stock equal to the Verizon Ownership Percentage as of the Effective Time; provided, that in the event that Verizon exercises its preemptive right in connection with the issuance of shares issued by NorthPoint upon the exercise of options granted after the Effective Time, the applicable purchase price for such shares shall be the last sale price on Nasdaq (as reported in The Wall Street Journal) on the business day immediately preceding the date of such issuance. In connection with Verizon's preemptive right, Parent shall provide written notice to Verizon no later than ten days prior to any issuance giving rise to such preemptive right.

Section 7.16 Further Assurances. In case at any time after the

Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and directors of each of the parties to this Agreement shall take all such necessary action.

ARTICLE VIII

CONDITIONS TO THE ASSET CONTRIBUTION AND THE MERGER

Section 8.1 Conditions to Each Party's Obligation to Effect the

Merger. The respective obligations of each Party to effect the Asset

Contribution and the Merger shall be subject to the fulfillment at or prior to

the Effective Time of the following conditions:

(a) Stockholder Approval. The NorthPoint Stockholder Approval shall

have been obtained;

(b) Legality. No federal, state or foreign statute, rule, regulation,

executive order, decree, injunction or administrative order shall have been
enacted, entered, promulgated or enforced by any Governmental Entity which is in
effect and

65

has the effect of making the Asset Contribution or the Merger illegal or
otherwise prohibiting the consummation of the Merger;

(c) HSR Act. Any waiting period applicable to the consummation of the

Asset Contribution and the Merger under the HSR Act shall have expired or been
terminated;

(d) Regulatory Matters. All authorizations, consents, orders, permits

or approvals of, or declarations or filings with, and all expirations of waiting
periods imposed by, any Governmental Entity (all of the foregoing, "Consents")
which are necessary for the consummation of the transactions contemplated
hereby, other than Consents which, if not obtained, would not have a Material
Adverse Effect on any of Parent (after the Effective Time), the Verizon DSL
Business or NorthPoint, shall have been filed, have occurred or have been
obtained (all such Consents being referred to as the "Requisite Regulatory
Approvals") and all such Requisite Regulatory Approvals shall be in full force
and effect, provided, however, that a Requisite Regulatory Approval shall not be
deemed to have been obtained if in connection with the grant thereof there shall
have been an imposition by any Governmental Entity of any condition,
requirement, restriction or change of regulation, or any other action directly
or indirectly related to such grant taken by such Governmental Entity, which
would (or if implemented would) constitute a Material Adverse Effect on any of
Parent, the Verizon DSL Business, Verizon or NorthPoint;

(e) Registration Statement Effective. The Registration Statement

shall have become effective prior to the mailing by NorthPoint of the Proxy
Statement to its stockholders, no stop order suspending the effectiveness of the
Registration Statement shall then be in effect, and no proceedings for that
purpose shall then be threatened by the SEC or shall have been initiated by the
SEC and not concluded or withdrawn;

(f) Blue Sky. All state securities or blue sky permits or approvals

required to carry out the transactions contemplated hereby shall have been
received; and

(g) Stock Exchange Listing. The shares of Parent Common Stock (i)

into which the NorthPoint Common Stock will be converted pursuant to Article II
hereof, (ii) to be issued to Verizon pursuant to Article II hereof and (iii)
issuable upon the exercise of options issuable pursuant to Section 2.7 hereof,
shall have been duly approved for listing on Nasdaq, subject to official notice
of issuance.

66

Section 8.2 Additional Conditions to Obligations of NorthPoint. The

obligations of NorthPoint to effect the Merger are also subject to the fulfillment of the following conditions:

(a) Representations and Warranties. The representations and

warranties of Verizon contained in this Agreement shall be true and correct on the date hereof and (except to the extent such representations and warranties speak as of a date earlier than the date hereof) shall also be true and correct on and as of the Closing Date, except for changes permitted under Section 6.2 hereof, as applicable, or otherwise contemplated by this Agreement, with the same force and effect as if made on and as of the Closing Date, provided, however, that for purposes of this Section 8.2(a) only, such representations and warranties shall be deemed to be true and correct unless the failure or failures of such representations and warranties to be so true and correct (without regard to materiality qualifiers contained therein), individually or in the aggregate, results or will result in a Material Adverse Effect on the Verizon DSL Business;

(b) Agreements and Covenants. Verizon shall have performed or

complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by it on or before the Effective Time;

(c) Certificates. NorthPoint shall have received a certificate of an

executive officer of Verizon to the effect set forth in paragraphs (a) and (b) above;

(d) Tax Opinion. NorthPoint shall have received an opinion of Latham

& Watkins, special counsel to NorthPoint, dated as of the Closing Date, in form and substance reasonably satisfactory to NorthPoint, substantially to the effect that, on the basis of the facts, representations and assumptions set forth in such opinion, the Merger constitutes a non-recognition transaction under Section 368 and/or Section 351 of the Code and therefore: (i) no gain or loss will be recognized for federal income tax purposes by Parent, Merger Subsidiary or NorthPoint as a result of the formation of Merger Subsidiary and the Merger; and (ii) no gain or loss will be recognized for federal income tax purposes by the stockholders of NorthPoint (other than Verizon or any Affiliate of Verizon, the tax consequences to which will be addressed in a separate opinion of tax counsel to Verizon) upon their exchange of NorthPoint Common Stock and NorthPoint Preferred Stock solely for Parent Common Stock pursuant to the Merger, except with respect to cash received in the Merger. In rendering such opinion, Latham & Watkins may require and rely upon

67

representations and covenants including representations and covenants substantially in the form of those contained in the NorthPoint, Parent and Verizon officer's certificates attached hereto as Exhibit E, Exhibit F and

Exhibit G, respectively, and representations and covenants of holders of five

percent of the Parent Common Stock outstanding immediately following the Merger and the Asset Contribution substantially to the effect that each such stockholder has no plan or intention to sell or otherwise dispose of such Parent Common Stock received in the Merger;

(e) Asset Contribution. Verizon shall have contributed the Verizon

DSL Assets to Parent as provided herein; and

(f) Consents Under Verizon Agreements. Verizon shall have obtained

the consent or approval of any Person whose consent or approval shall be required under any agreement or instrument in order to permit the consummation of the transactions contemplated hereby, except for the Consents referred to in

Section 8.1(d) hereof and except for those consents or approvals the failure to obtain would not, individually or in the aggregate, have a Material Adverse Effect on the Verizon DSL Business.

Section 8.3 Additional Conditions to Obligations of Verizon. The obligations of Verizon to effect the Merger and the Asset Contribution are also subject to the fulfillment of the following conditions:

(a) Representations and Warranties. The representations and warranties of NorthPoint contained in this Agreement shall be true and correct on the date hereof and (except to the extent such representations and warranties speak as of a date earlier than the date hereof) shall also be true and correct on and as of the Closing Date, except for changes permitted under Section 6.1 hereof, as applicable, or otherwise contemplated by this Agreement, with the same force and effect as if made on and as of the Closing Date, provided, however, that for purposes of this Section 8.3(a) only, such representations and warranties shall be deemed to be true and correct unless the failure or failures of such representations and warranties to be so true and correct (without regard to materiality qualifiers contained therein), individually or in the aggregate, results or will result in a Material Adverse Effect on NorthPoint;

(b) Agreements and Covenants. NorthPoint shall have performed or complied in all material respects with all agreements and covenants required by

68

this Agreement to be performed or complied with by it on or before the Effective Time;

(c) Certificates. Verizon shall have received a certificate of an executive officer of NorthPoint to the effect set forth in paragraphs (a) and (b) above;

(d) Tax Opinion. Verizon shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to Verizon, dated as of the Effective Time, in form and substance reasonably satisfactory to Verizon, substantially to the effect that, on the basis of the facts, representations and assumptions set forth in such opinion, the Asset Contribution together with the Merger constitutes a transfer of property under Section 351(a) of the Code and therefore no gain or loss will be recognized for federal income tax purposes by Verizon or Parent as a result of the Asset Contribution or the Merger. In rendering such opinion, Skadden, Arps, Slate, Meagher & Flom LLP may require and rely upon representations and covenants including representations and covenants substantially in the form of those contained in the NorthPoint, Parent and Verizon officer's certificates attached hereto as Exhibit E, Exhibit F and Exhibit G, respectively, and representations and covenants of holders of five percent or more of the Parent Common Stock outstanding immediately following the Merger and the Asset Contribution, substantially to the effect that each such stockholder has no plan or intention to sell or otherwise dispose of such Parent Common Stock received in the Merger.

(e) Affiliate Agreements. Verizon shall have received the agreements required by Section 7.10 hereof to be delivered by the NorthPoint Rule 145 Affiliates, duly executed by each NorthPoint Rule 145 Affiliate.

(f) Dissenting Shares. The number of shares of NorthPoint Common

Stock in respect of which the holders have taken all steps required to be taken prior to the Effective Time, to the extent such steps are necessary, to permit such shares to be deemed Dissenting Shares shall not exceed 10% of the number of outstanding shares of NorthPoint Common Stock as of the record date of the NorthPoint Stockholders' Meeting.

(g) Material Adverse Effect. There shall not have occurred any

Material Adverse Effect on NorthPoint.

69

(h) Consents Under NorthPoint Agreements. NorthPoint shall have

obtained the consent or approval of any Person whose consent or approval shall be required under any agreement or instrument in order to permit the consummation of the transactions contemplated hereby, except for the Consents referred to in Section 8.1(d) hereof and except for those consents or approvals which the failure to obtain would not, individually or in the aggregate, have a Material Adverse Effect on NorthPoint.

(i) Employment Agreements. NorthPoint shall have entered into

employment agreements with such senior management employees of NorthPoint as Verizon shall reasonably determine, which agreements shall be in form and substance reasonably satisfactory to Verizon.

ARTICLE IX

TERMINATION, AMENDMENT AND WAIVER

Section 9.1 Termination. This Agreement may be terminated at any

time before the Effective Time, in each case as authorized by the respective Board of Directors of Verizon or NorthPoint:

- (a) By mutual written consent of each of Verizon and NorthPoint;
- (b) By either of Verizon or NorthPoint if the Merger shall not have been consummated on or before the one year anniversary of the date hereof, provided that the Parties may mutually agree to extend such date to a date no

later than the date that is eighteen months from the date hereof (such termination date, as it may be extended upon mutual agreement of the Parties, is referred to as the "Termination Date"). The right to terminate this Agreement under this Section 9.1(b) shall not be available to any Party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of any condition to be satisfied;

(c) By either of Verizon or NorthPoint if after the date hereof a court of competent jurisdiction or Governmental Entity shall have issued an order, decree or ruling or taken any other action (which order, decree or ruling the Parties shall use their commercially reasonable efforts to lift), in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this

70

Agreement, and such order, decree, ruling or other action shall have become final and nonappealable;

(d) (i) by NorthPoint, (A) if Verizon shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (1) is incapable of being cured by Verizon prior to the

Termination Date and (2) renders any condition under Section 8.1 or 8.2 hereof incapable of being satisfied prior to the Termination Date, or (B) if a condition under Section 8.1 or 8.2 hereof to NorthPoint's obligations hereunder cannot be satisfied prior to the Termination Date;

(ii) by Verizon, (A) if NorthPoint shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (1) is incapable of being cured by NorthPoint prior to the Termination Date and (2) renders any condition under Section 8.1 or 8.3 hereof incapable of being satisfied prior to the Termination Date, or (B) if a condition under Section 8.1 or 8.3 hereof to Verizon's obligations hereunder cannot be satisfied prior to the Termination Date;

(e) By Verizon if the Board of Directors of NorthPoint (i) shall fail to include in the Proxy Statement its recommendation without modification or qualification that stockholders approve this Agreement and the Merger, (ii) shall withdraw or modify in any adverse manner its approval or recommendation of this Agreement or the Merger, (iii) shall fail to reaffirm such approval or recommendation upon Verizon's request, (iv) shall approve or recommend any Alternative Transaction or (v) shall resolve to take any of the actions specified in this Section 9.1(e); or

(f) By either of Verizon or NorthPoint if the required approval of the stockholders of NorthPoint shall fail to have been obtained at a duly held stockholders meeting of such company, including any adjournments thereof.

Section 9.2 Effect of Termination.

(a) In the event of termination of this Agreement as provided in Section 9.1 hereof, and subject to the provisions of Section 10.1 hereof, this Agreement shall forthwith become void and there shall be no liability on the part of any of the Parties, except (i) as set forth in this Section 9.2 and in Section 10.3

71

hereof, (ii) for breaches of the confidentiality obligations set forth in Section 7.4 hereof and (iii) nothing herein shall relieve any Party from liability for any willful breach hereof.

(b) If this Agreement (i) is terminated by Verizon pursuant to Section 9.1(e) hereof, (ii) could have been (but was not) terminated by Verizon pursuant to Section 9.1(e) hereof and is subsequently terminated by Verizon or NorthPoint pursuant to Section 9.1(f) hereof because of the failure to obtain the NorthPoint Stockholder Approval, (iii) (A) could not have been terminated by Verizon pursuant to Section 9.1(e) hereof but is subsequently terminated by Verizon or NorthPoint pursuant to Section 9.1(f) hereof because of the failure to obtain the NorthPoint Stockholder Approval, (B) prior to the NorthPoint Stockholders' Meeting there shall have been an offer or proposal for, an announcement of any intention with respect to (including the filing of a statement of beneficial ownership on Schedule 13D discussing the possibility of or reserving the right to engage in), or any agreement with respect to, a transaction that would constitute an Alternative Transaction, involving NorthPoint or any of NorthPoint's Subsidiaries, and (C) within 12 months after the termination of this Agreement, NorthPoint enters into a definitive agreement with any Third Party with respect to an Alternative Transaction, or (iv) is terminated by Verizon as a result of NorthPoint's material breach of Section 7.1 or Section 7.2(b) hereof which, in the case of Section 7.1 only, is not cured within 10 days after notice thereof to NorthPoint, NorthPoint shall pay to Verizon a termination fee of \$100 million (the "Verizon Termination Fee").

(c) The Verizon Termination Fee payable under Section 9.2(b) hereof shall be payable in cash, payable no later than one business day following the delivery of notice of termination to NorthPoint, or, if such fee shall be payable pursuant to clause (iii) of Section 9.2(b) hereof, such fee shall be

payable no later than one business day following the day NorthPoint enters into the definitive agreement referenced in such clause (iii).

(d) Verizon and NorthPoint agree that the agreements contained in Section 9.2(b) hereof are an integral part of the transactions contemplated by this Agreement and constitute liquidated damages and not a penalty. In the event of any dispute as to whether any fee due under such Section 9.2(b) is due and payable, the prevailing Party shall be entitled to receive from the other Party the costs and expenses (including legal fees and expenses) in connection with any action, including the filing of any lawsuit or other legal action, relating to such dispute.

72

Interest shall be paid on the amount of any unpaid fee at the publicly announced prime rate of Citibank, N.A. from the date such fee was required to be paid.

Section 9.3 Amendment. This Agreement may be amended by the

Parties pursuant to a writing adopted by action taken by all of the Parties at any time before the Effective Time; provided, however, that, after approval of

this Agreement by the stockholders of NorthPoint, no amendment may be made which would (a) alter or change the amount or kinds of consideration to be received by the holders of NorthPoint Common Stock upon consummation of the Merger, or (b) alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of any class or series of securities of NorthPoint (it being understood and agreed that any agreement by the Parties to extend the Termination Date shall not be deemed to adversely affect the holders of any class or series of securities of NorthPoint). This Agreement may not be amended except by an instrument in writing signed by each of the Parties.

Section 9.4 Waiver. At any time before the Effective Time, any

Party may (a) extend the time for the performance of any of the obligations or other acts of the other Parties, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (c) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a Party to any such extension or waiver shall be valid only as against such Party and only if set forth in an instrument in writing signed by such Party.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Non-Survival of Representations, Warranties and

Agreements. The representations, warranties and agreements in this Agreement

shall terminate at the Effective Time or upon the termination of this Agreement pursuant to Section 9.1 hereof, as the case may be, except that (a) the agreements set forth in Article I, Article III and Sections 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 3.2, 3.3, 6.4, 6.5, 6.6, 6.7, 6.8, 7.6, 7.8, 7.12, 7.14, 7.15 and 7.16 hereof and the representations in the NorthPoint and Verizon officers' certificates delivered in accordance with Section 7.12 hereof shall survive

73

the Effective Time indefinitely, (b) the agreements and representations set forth in Sections 7.4(b), 9.2 and 10.3 hereof shall survive termination indefinitely and (c) nothing contained herein shall limit any covenant or Agreement of the Parties which by its terms contemplates performance after the Effective Time.

Section 10.2 Notices. All notices and other communications given

or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date of receipt and shall be delivered personally or mailed by registered or certified mail (postage prepaid, return receipt requested), sent by overnight courier or sent by telecopy, to the Parties at the following addresses or telecopy numbers (or at such other address or telecopy number for a Party as shall be specified by like notice):

- (a) if to Verizon, Parent or Merger Subsidiary:

Bell Atlantic Corporation
(d/b/a Verizon Communications)
1717 Arch Street, 29/th/ Floor
Philadelphia, PA 19103
Attention: Stephen E. Smith
Telecopy No.: (215) 557-7249

with copies to:

Bell Atlantic Corporation
(d/b/a Verizon Communications)
1095 Avenue of the Americas
New York, New York 10036
Attention: Marianne Drost
Telecopy No.: (212) 764-2739

and

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
Attention: Peter Allan Atkins, Esq.
Martha E. McGarry, Esq.
Telecopy No.: (212) 735-2000

74

- (b) if to NorthPoint:

NorthPoint Communications Group, Inc.
303 Second Street, South Tower
San Francisco, CA 94107
Attention: Michael P. Glinsky
Telecopy No.: (415) 403-4004

with a copy to:

Latham & Watkins
1001 Pennsylvania Avenue, N.W.
Suite 1300
Washington, DC 20004
Attention: James F. Rogers, Esq.
Telecopy: (202) 637-2201

Section 10.3 Expenses. Except as otherwise provided in this

Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses, except that those expenses incurred in connection with the printing of the Proxy Statement and the prospectus included in the Registration Statement, as well as the filing fees related thereto and any filing fee required in connection with the filing of Premerger Notifications under the HSR Act, shall be shared equally by Verizon and NorthPoint. NorthPoint will pay any real property transfer or similar Taxes imposed on it in connection with this

Agreement and the transactions contemplated hereby.

Section 10.4 Certain Definitions. For purposes of this Agreement,

the following terms shall have the following meanings:

(a) "1933 Act" means the Securities Act of 1933, as the same may be amended from time to time, and "Exchange Act" means the Securities Exchange Act of 1934, as the same may be amended from time to time.

(b) "Affiliate" of a Person means a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the first mentioned Person.

75

(c) "Alternative Transaction" means, whether in the form of an inquiry, a proposal or intended proposal, a signed agreement or completed action, as the case may be, any of (i) a transaction or series of transactions pursuant to which any Person (or group of Persons) other than Verizon and its respective Subsidiaries (a "Third Party") acquires or would acquire, directly or indirectly, beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) of more than 20% of the outstanding shares of NorthPoint, whether from Verizon or pursuant to a tender offer or exchange offer or otherwise, (ii) any acquisition or proposed acquisition of, or business combination with, NorthPoint or any of its Subsidiaries by a merger or other business combination (including any so-called "merger-of-equals" and whether or not NorthPoint or any of its Subsidiaries is the entity surviving any such merger or business combination) or (iii) any other transaction pursuant to which any Third Party acquires or would acquire, directly or indirectly, control of 20% or more in value of the assets (including for this purpose the outstanding equity securities of Subsidiaries of NorthPoint and any entity surviving any merger or business combination including any of them) of NorthPoint or any of its Subsidiaries.

(d) "commercially reasonable efforts" shall mean those efforts necessary or advisable to advance the interests of the Parties in achieving the purposes and specific requirements and satisfying the conditions of this Agreement, provided that such efforts will not require or include either expense or conduct not ordinarily incurred or engaged in by Parties seeking to implement agreements of this type unless part of a separate mutual understanding of the Parties not contained in this Agreement whether reached before or after the Agreement is executed.

(e) "control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of stock, as trustee or executor, by contract or credit arrangement or otherwise.

(f) "Environmental Law" means any law relating to: (A) the protection, investigation or restoration of the environment, health, safety, or natural resources, (B) the handling, use, presence, disposal, release or threatened release of any Hazardous Substance or (C) noise, odor, wetlands, pollution, contamination or any injury or threat of injury to Persons or property in connection with any Hazardous Substance.

76

(g) "Equity Right" means any subscription, option, warrant, call, commitment, agreement, conversion right or other right of any character (contingent or otherwise) to purchase or otherwise acquire any shares of the capital stock of a Person.

(h) "Hazardous Substance" means any substance that is: listed, classified or regulated pursuant to any Environmental Law, including any petroleum product or by-product, asbestos-containing material, lead-containing paint or plumbing, polychlorinated biphenyls, radioactive materials or radon.

(i) "HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as the same may be amended from time to time.

(j) "knowledge" of any Party shall mean the actual knowledge of the executive officers of such Party.

(k) "Material Adverse Effect" means

(i) in the case of NorthPoint or Parent, any fact, event, change or effect having, or which will have, a material adverse effect on the business, operations, properties (including intangible properties), financial condition, assets or liabilities of NorthPoint or Parent, as the case may be, and its Subsidiaries taken as a whole, but shall not include facts, events, changes or effects that are generally applicable to (A) the data industry, (B) the United States economy or (C) the United States securities markets generally or the Nasdaq Technology Index in particular, nor shall it include any fact, event, change or effect caused predominantly by Verizon's involvement in the transactions contemplated by this Agreement; and

(ii) in the case of the Verizon DSL Business or Verizon, any fact, event, change or effect having, or which will have, a material adverse effect on the business, operations, properties (including intangible properties), financial condition, assets or liabilities of the Verizon DSL Business or Verizon, as the case may be, but shall not include facts, events, changes or effects that are generally applicable to (A) the data industry, (B) the United States economy or (C) the United States securities markets generally or the Nasdaq Technology Index in particular, nor shall it include any fact, event, change or effect caused predominantly by NorthPoint's involvement in the transactions contemplated by this Agreement.

77

(l) "Material Investment" means, as to NorthPoint, any Person which NorthPoint directly or indirectly holds the stock of, or other equity interest in, provided the lesser of the fair market value or book value of such interest exceeds \$2 million, excluding, however, any Person which is a Subsidiary of NorthPoint.

(m) "NorthPoint Equity Right" means any Equity Right to purchase or otherwise acquire any shares of capital stock of NorthPoint from NorthPoint or any of its Subsidiaries, at any time or upon the happening of any stated event, including any right to purchase shares of NorthPoint Common Stock under any employee stock purchase plan of NorthPoint.

(n) "NorthPoint's Line of Business" means data transport services (including but not limited to xDSL, asynchronous transfer mode, frame relay, internet protocol), and associated value-added services (including but not limited to virtual private networks, content delivery, applications service delivery, webcasting, web hosting, video conferencing, voice over DSL, local area network and customer network setup and support, network security applications) on a wholesale basis, as well as OSS and consumer premises equipment sales, leasing and training.

(o) "NorthPoint Superior Proposal" means any written proposal (on its most recently amended or modified terms, if amended or modified) made by a Third Party to enter into an Alternative Transaction (provided that (A) for the purposes of this definition, the applicable percentage in clause (i) of the definition of Alternative Transaction shall be fifty percent (50%) and (B) such Alternative Transaction provides for the acquisition of all outstanding preferred equity of NorthPoint held by Verizon and the repayment of all outstanding indebtedness owed by NorthPoint to Verizon) which the Board of Directors of NorthPoint in good faith concludes (after consultation with a financial advisor of nationally recognized reputation and receiving the advice of its outside counsel), taking into account, among other things, all legal, financial, regulatory and other aspects of the proposal and the Third Party

making the proposal (i) would, if consummated, result in a transaction that is more favorable to NorthPoint stockholders (in their capacities as stockholders), from a financial point of view, than the transactions contemplated by this Agreement and (ii) is reasonably capable of being completed.

(p) "Parties" means Verizon, Parent, Merger Subsidiary and NorthPoint.

78

(q) "Person" means an individual, corporation, partnership, association, trust, estate, limited liability company, labor union, unincorporated organization, entity or group (as defined in the Exchange Act).

(r) "Rule 145 Affiliates" means an affiliate within the meaning of Rule 145 promulgated under the 1933 Act.

(s) "Subsidiary" means with respect to any Person, any corporation or other legal entity of which such Person (either alone or through or together with any other Subsidiary or Subsidiaries) owns, directly or indirectly, more than 50% of the stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

(t) "Transferred Employee" means the Verizon DSL Employees who shall be employed by Parent or any of its Subsidiaries at the Effective Time pursuant to the Employee Matters Agreement.

(u) "Verizon DSL Business" shall mean the DSL wholesale business operations of Verizon and its Subsidiaries as conducted on the date hereof.

(v) "Verizon DSL Employees" shall mean the employees of Verizon who, in their capacity as employees, have responsibilities related exclusively to the Verizon DSL Business.

Section 10.5 Headings. The headings contained in this Agreement

are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 10.6 Severability. If any term or other provision of this

Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the maximum extent possible.

79

Section 10.7 Entire Agreement; No Third-Party Beneficiaries. This

Agreement, together with the Exhibits hereto, and the Nondisclosure Agreement constitute the entire agreement and, except as expressly set forth herein, supersedes any and all other prior agreements and undertakings, both written and oral, among the Parties, or any of them, with respect to the subject matter hereof and, except for Section 7.6 and Section 7.8 hereof, is not intended to confer upon any Person other than Verizon, NorthPoint, Parent and Merger Subsidiary and, after the Effective Time, their respective stockholders, any rights or remedies hereunder.

Section 10.8 Assignment. This Agreement shall not be assigned by

operation of law or otherwise without the prior written consent of the other Parties hereto, provided that Verizon may designate one or more of its Affiliates to hold the shares of Parent Common Stock issuable to Verizon hereunder.

Section 10.9 Governing Law. This Agreement shall be governed by, ----- and construed in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed entirely within that State, without regard to the conflicts of laws provisions thereof.

Section 10.10 Counterparts. This Agreement may be executed in two ----- or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which shall constitute one and the same Agreement.

Section 10.11 Interpretation. -----

(a) Whenever the words "include", "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation."

(b) Words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(c) A reference to any Party or to any party and to any other agreement or document shall include such party's successors and permitted assigns.

80

(d) A reference to any legislation or to any provision of any legislation shall include any modification or re-enactment thereof, any legislative provision substituted therefor and all regulations and statutory instruments issued thereunder or pursuant thereto.

(e) All references to "\$" and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

81

IN WITNESS WHEREOF, Verizon, NorthPoint, Parent and Merger Subsidiary have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

NORTHPOINT COMMUNICATIONS GROUP, INC

By: _____
Name:
Title:

BELL ATLANTIC CORPORATION
(D/B/A VERIZON COMMUNICATIONS)

By: _____
Name:
Title:

VERIZON VENTURES I INC.

By: _____
Name:
Title:

VERIZON VENTURES II INC.

By: _____
Name:
Title:

82