# Additional Services Agreement For The Provision Of Network Platform Services To Interexchange Carriers

WHEREAS, the Buyer desires Qwest to provide Network Platform Services to Buyer (the "Added Network Platform Service") in connection with the Buyer's provision of local long distance and long distance services (the "Long Distance Services") to certain of Qwest's local exchange, residential customers (the "End Users"); and

WHEREAS, the terms and provisions of this Agreement are not intended to change or modify the terms, conditions, and provisions of Other Arrangements, and merely provide for the provision of the Added Network Platform Service to the Buyer by Qwest, and the participation by the Buyer, on an equal access basis, as a provider of the Long Distance Services to the End Users; and

WHEREAS, the Network Platform Services and direct-dialed long distance access which Qwest proposes to offer and provision to the End Users is more fully described on Schedule "A" attached hereto:

NOW THEREFORE, in consideration of the mutual benefits accruing to each other, the Parties agree as follows:

#### 1. Purpose.

- 1.1 The purpose of this Agreement is to set forth the terms and conditions pursuant to which Qwest will provide the Added Network Platform Services to the Buyer, and to provide for the cooperation necessary for the Buyer to efficiently provide the Long Distance Service to the End Users as set out herein. The Agreement governs the provision of the Added Network Platform Service to the Buyer for interstate purposes, and it governs the provision of the Added Network Platform Service for intrastate purposes in those state where no effective state tariff exists. In states where an effective state tariff exists (see Section 1.4, below), that state tariff applies for intrastate purposes, and to the extent this Agreement is not inconsistent with such an intrastate tariff, this Agreement also applies.
- 1.2 The Added Network Platform Service is limited to the management and control of direct-dialed long distance spending associated with the End User Service, and nothing in this Agreement is intended to expand, modify, authorize, or otherwise change any activity which is not permitted in Other Arrangements. It is expressly understood that this Agreement is set out to cover the very specific activities that are necessary in order for the Parties to cooperate with each other so that the End Users will be able to have and enjoy the Long Distance Service provided by the Buyer, with controlled limits provided by Qwest, all in accordance herewith.

local exchange service, and the Buyer agrees that the neither the End User Service nor the Added Network Platform Service may be offered, represented, characterized or construed as the provision of such interLATA service by Qwest.

- 1.4 Qwest expects to submit statewide tariffs where required in order to provide the Buyer with the Added Network Platform Service and/or to otherwise support its long distance spending limits for End Users. The Buyer agrees to cooperate with Qwest, at no cost or expense to the Buyer, to facilitate and secure any necessary governmental approvals or permission in order to implement the services and functions described in this Agreement.
- 1.5 The Buyer agrees to take all necessary action to ensure that its provision of the Long Distance Service to End Users is lawfully authorized and permitted in accordance with whatever regulatory authority may have jurisdiction thereof, whether interstate or intrastate, and Qwest is not responsible for the Buyer's compliance in connection therewith, nor in connection with the Buyer's relationship with End Users.

# 2. Relationship with End User.

- 2.1 Although the Parties agree to fully cooperate with each other so as to provide the End Users with the End User Service and the Long Distance Service that are described in this Agreement, each Party shall be deemed to have a separate supplier/customer relationship with the End User, and except as expressly described and authorized herein neither Party may act for the other Party, nor bind the other Party to any understanding, representation, or matter, and nothing in this Agreement is intended to make a Party the agent for the other in connection with any matter.
- 2.2 Each End User who selects the Buyer as the provider of their Long Distance Service to be supplied as part of the End User Service shall be deemed to be a customer of the Buyer with respect to the Long Distance Service, and it is expressly understood that the Buyer is and shall be responsible for the Long Distance Service provided to the End Users. Qwest is not and shall not be deemed to be providing any interexchange service to the End Users by virtue of the Added Network Platform Service.
- 2.3 Qwest shall have no responsibility to assist or preserve the relationship of the End User and the Buyer, vis-à-vis any other interexchange carrier, or with respect to any change desired, requested or proposed by an End User in the preferred interexchange carrier of that End User. Qwest's sole obligation shall be to comply with applicable laws and regulations and the terms and provisions of this Agreement. Notwithstanding the foregoing, End Users may be permitted to "freeze" their selection of preferred interexchange carrier, in accordance with applicable laws and regulations, in order to ensure that changes by an End User in their preferred interexchange carrier can be coordinated.

# 3. Charges.

- 3.1 The charges that are due Qwest for the Added Network Platform Services on account of the End User's use of the Long Distance Service shall be billed and collected by Qwest via monthly bills to the Buyer at the rate set forth in Schedule B.
- 3.2 The End User will be billed for the long distance charges for the Long Distance Service at the rates selected by the Buyer. The Long Distance Service may be billed on the Buyer's portion of the Qwest bill in accordance with the terms and conditions of a separate billing and collection agreement with Qwest or on the Buyer's own bill, at the option of the Buyer. Unless otherwise agreed between the End User and the Buyer, the End User will be responsible for all

valid long distance charges even if those charges exceed the Network Platform Services spending limit due to technical limitations of the Network Platform Services. Qwest will not be responsible to the End User or the Buyer on account of the End User exceeding the limit, and the Buyer will be responsible to Qwest for the charges due Qwest on account of such use at the rates set out in Schedule B. The End User will be notified of that responsibility when the End User Service is established.

- 3.3 The End User long distance rates will be provided by the Buyer to Qwest with the signing of this contract. For convenience they are set out in Schedule B. There will be a set rate for domestic U.S. calls, a set rate for calls to Canada and a set rate for calls to Mexico. The Buyer must provide service to these three rate areas. The per minute rate supplied and provided by the Buyer will be the same for both intraLATA and interLATA calls, due to restrictions and limitations in the Qwest system (this restriction may be removed if and when Qwest corrects the relevant system restriction). The rates will be loaded into the Added Network Platform Services to calculate the amount of time that the End User is allotted each month for long distance calling. Minutes of use shall be measured, tracked and charged in one minute increments with each portion of an increment of use rounded up to the next full minute increment
  - 3.3.1 Qwest shall restrict each End User from calling destinations other than those described in Section 3.3 above. Buyer will not be charged the Qwest Platform rate per minute for End User calls to restricted destinations.
- 3.4 Subject to the criteria set forth herein (which are necessary so that the End Users can be provided the information about their use and remaining minutes of use, and to function compatibly with Qwest's equipment, called the "AIN Equipment" herein) and to the requirements of applicable law, Qwest and Buyer reserve the right to adjust its charges at any time upon sixty (60) days prior written notification to the other Party. At such time, if ever, that the AIN Equipment is technically capable of acting upon and using different or more varied information, Qwest will advise the Buyer, and the requirement that the Buyer and Qwest must offer a uniform per minute rate for their respective services (regardless of the nature of the Long Distance Service (interLATA, intraLATA, intrastate or interstate, the nature of the End User Service or the nature of the Added Network Platform Service), may be modified to reflect the then technical capabilities of the AIN Equipment (or such other technical functions that may be applicable in order to provide the End User Service and the Added Network Platform Service).
- 3.5 Except for the technical restrictions described above, and the obligation to provide the other Party at least sixty (60) days prior written notice, and the obligation that rate changes may not be made by a Party more often than once every 90 days, nothing herein contained is intended to or does limit, restrict, or affect the right of a Party to set its own rates and charges; provided however, all relevant rates and charges shall be set out on Schedule B. Schedule B contains all relevant information about the rates and charges by each Party, and it may be modified and changed upon such sixty (60) days prior written notice.

#### 4. Payment for Long Distance Services and Payment for End User Service.

4.1 The Buyer is responsible to bill and collect all charges due from the End User on account of the Long Distance Services. The Parties acknowledge that the Long Distance Service will be billed on the Buyer's portion of the Qwest bill, in accordance with the existing Billing and Collection Agreement between Qwest and the Buyer executed November 1, 2001 (called the Other Arrangements).

- 4.2 At the end of each month, Qwest shall send an invoice to the Buyer for the total minutes of use for all End Users who have subscribed to that Buyer and utilized the Added Network Platform Service. The invoice will itemize the aggregate minutes of use by state in a standard billing format. The Buyer shall remit to Qwest, within its ordinary remittance cycle, the total amount for the Network Platform Service provided by Qwest to each such subscribing End User during the immediately ending invoice period (ordinarily a period equal to the preceding month), based on the rate identified on Schedule "B" of this Agreement.
- 4.3 Unless otherwise expressly agreed by the Parties, in a separate writing, any adjustment or credit made to an End User will be at the discretion of the Buyer.
- Taxes and Fees. Except for taxes or assessments based on either Party's net income, ad valorem, personal, and real property taxes imposed on either Party's property, each Party shall be solely responsible for payment of all sales, use, property, gross receipts, excise, access, bypass, franchise, value added, communications, Universal Service Fund, or other local, state and federal taxes, fees, charges, or surcharges, however designated, imposed by any domestic or international government entity on or based upon either Party's acceptance and/or use of Services delivered by either Party to the other Party to the appropriate authority. The Buyer shall be responsible for such taxes that arise due to the charges to the End Users. The foregoing does not alter or change the provisions of the Billing & Collection Contract which provides that calling data is sent to Qwest with only the per minute charge amount, and as part of its services under the Billing & Collection Contract, Qwest calculates and bills the applicable taxes on the End User billings.
- 4.5 Any bad debt from the End User for the End User Service will be at the risk of the Buyer, and the Buyer will pay Qwest for its services provided hereunder, whether or not the End User pays the Buyer of the Long Distance Services; provided however, as the sole and only remedy of the Buyer, with respect to Bad Debt resulting from significant Qwest platform failure ("Significant Failure Debt"). Significant Failure Debt shall be defined as End User account usage amounts in excess of 200 minutes of use within any calendar month for a single End User telephone account, which has not been paid for by the End User within 90 days following cancellation of the Long Distance Service provided to an End User. Minutes of use that make up Significant Failure Debt in any month do not carry forward to future months. Buyer and Qwest agree to cooperate to promptly terminate End Users who take advantage or otherwise succeed in exceeding the limit, for any reason whatsoever. Qwest will make a credit adjustment to Buyer's monthly invoice in an amount equal to the total minutes of usage that is defined as Significant Failure Debt (that is, the number of minutes of use, that exceeds the aggregate of the Significant Failure Debt) multiplied by \$0.15. This credit adjustment shall only be applicable if and when the total Significant Failure Debt in a calendar month exceeds three thousand dollars (\$3,000.00) for an entire calendar month. Examples are attached as attachment I. Buyer will send Significant Failure Debt file in Record 46 format if the above criteria is met. Qwest will make adjustment to following month's invoice. In no event will the amount of the credit ever exceed the sum of \$100,000.00.
- 4.6 Due to technical limitations of the Network Platform Service, toll in excess of the predetermined End User spending limit may be generated on occasion by the End User. Qwest will advise the End User in fulfillment material that the End User is responsible for any toll in excess of the predetermined monthly spending limit. Any End User bad debt on toll in excess of the spending limit will not be the responsibility of Qwest, and the Buyer will be obligated to pay Qwest the amounts due Qwest on account of the Added Network Platform Service charges, and the sole and only remedy of the Buyer is the adjustment for Significant Failure Debt described above.

4.7 Buyer acknowledges that Added Network Platform Service is limited to the geographic area serviced by Qwest's AIN Equipment, so any services provided using the AIN Equipment are similarly limited in geographic availability.

## 5. Responsibilities of the Buyer.

- 5.1 The Buyer shall provide Qwest with all necessary or appropriate information in order to permit the AIN Equipment to accurately and properly track, measure, and route every call from every End User who has selected the Buyer as the preferred carrier of that End User, and the Buyer shall fully cooperate with and assist Qwest in programming or otherwise properly adding such information to the AIN Equipment. Among the data that may be required is the carrier identification code(s), End User rates established by the Buyer (and set forth in Schedule B), and routing instructions to the Buyer's point of presence in every LATA where the Buyer provides Long Distance Service to End Users.
- 5.2 The Buyer, at its sole cost, shall ensure that adequate facilities exist so that End User traffic directed to it will not be blocked, and calls can be completed, in accordance with the standard blocking, and other quality criteria in the industry.
- 5.3 The Buyer shall provide all of the End Users to whom it provides Long Distance Service with the same level of service quality, including but not limited to transmission quality, that it provides to it other direct-dialed long distance residential subscribers within the LATA where the End Users are located; subject however, to any degradation in quality of service that arises due to Qwest's AIN Equipment.
- 5.4 The Buyer shall comply with all applicable statutes, laws, regulations, and orders involving, affecting or related to the Long Distance Services, its relationship with the End Users, and the relationship with Qwest, including but not limited to those, if any, relating to consumer protection, identification of carrier handling calls, itemization of call detail, making the Long Distance Services accessible to and usable by individuals with disabilities, and other duties or obligations of the Buyer.
- 5.5 The End Users will be directed to contact the Buyer with respect to the End User's call details, so the Parties anticipate that most End User questions will be received by the Buyer. Both parties will use their best efforts to properly, efficiently and fairly deal with End Users, however, Qwest may not act on behalf of the Buyer (see Section 2.1), except as provided in Section 6.6; provided however the foregoing is not intended to alter, change, or modify any of the terms and obligations in the any understandings, agreements, or obligations in the Other Arrangements or any separate Billing and Collection Agreement between the Buyer and Qwest. The Buyer shall deal with and resolve customer complaints and inquiries, in a prompt, efficient, and courteous manner, consistent with the best practices in the industry, and Qwest agrees to cooperate with the Buyer, reasonably, to assist is in the provision of such customer service.
- 5.6 The Buyer is responsible to maintain and supply such call detail records as may be required by law or the End User; provided that nothing herein shall be construed to impose upon the Buyer an obligation greater or different from that established by applicable law or regulation.
- 5.7 The administrative matters and agreed practices are more particularly described on Schedule "C" attached hereto, and the Buyer agrees to comply with and follow such processes, procedures, and practices, as they may be reasonably modified from time to time by Qwest;

provided that such modifications shall not impose any significant, adverse burden upon the Buyer.

5.8 As applicable and appropriate to the circumstances of the Added Network Platform Service and the Long Distance Services, the obligations and responsibilities of the Buyer under any Other Arrangement shall apply herein.

# 6. Responsibilities of Qwest.

- 6.1 The Buyer will be advised of the End Users via a unique USOC (PCCBX) which will allow Qwest Long Distance to comply with 272 requirements not required of other carriers. This Agreement does not affect that process. In addition, the CARE toll restriction code, 2716, TBI 2 plus a new PIC/LPIC can be used to identify new Network Platform Service End Users. It is the Buyer's responsibility to develop systems and processes to convert the unique USOC and/or the CARE information to the appropriate rate plan for the end user customer. Future Qwest development may include a daily file distribution or other methods of notifying the Buyer of new End Users.
- 6.2 Qwest shall properly program and equip its AIN Equipment, so as to properly route the proper calls from an End User subscribing to the Buyer's Long Distance Services to the Buyers customary and regular point of presence within the originating LATA of the End User, and to properly provide customary SS7 signaling or ISUP signaling.
- 6.3 Qwest will fully cooperate with and assist the Buyer in receiving the data that may be required from the Buyer such as the carrier identification code, End User rates and routing instructions.
- 6.4 Qwest will extend to the Buyer substantially the same terms, conditions, provisions, understandings, agreements, covenants, benefits, privileges, and arrangements that it extends to any other interexchange carrier that is willing to offer and provide services to End Users subscribing to the Long Distance Services, and Qwest will extend to the any other interexchange carrier substantially the same terms, conditions, provisions, understandings, agreements, covenants, benefits, privileges, and arrangements that it extends to the Buyer hereunder.
- 6.5 Qwest shall comply with all applicable statutes, laws, regulations, and orders involving, affecting or related to the Added Network Platform Service, and the relationship of Qwest and Buyer, including but not limited to those relating to the prohibition upon providing interLATA long distance service and providing interexchange carriers with so-called equal access to the Qwest local exchange network.
- 6.6 Qwest may deal with and resolve customer complaints and inquiries, in the ordinary course, where an End User complains to Qwest, and the Buyer expressly authorizes Qwest to make such adjustments and resolutions as may be consistent with the best practices in the industry. The Parties, by agreed method or practice, shall establish a joint policy or practice to deal with End Users, including but not limited to End User conduct that appears to be not in good faith. Nothing in the dealing by Qwest with End Users is intended to make Qwest responsible for so-called customer care matters associated with the Buyer's Long Distance Services, but rather it is aimed to ensure that any credit risk is properly managed.
- 6.7 The administrative matters and agreed practices are more particularly described on Schedule "C" attached hereto, and Qwest agrees to comply with and follow such processes, procedures, and practices, reserving however, the right to reasonably modify such processes,

procedures, and practices, from time to time, to conform to then-current policy and technical improvements; provided that such modifications shall not impose any significant, adverse burden upon the Buyer.

6.8 As applicable and appropriate to the circumstances of the Added Network Platform Service and the Long Distance Services, the obligations and responsibilities of Qwest under any Other Arrangements may apply.

# 7. Dispute Resolution.

- 7.1 The provisions in the Other Arrangements that set forth and establish the methods and procedures by which disagreements, disputes, and contract violations/ breaches are handled and resolved between the Parties (the "Dispute Resolution Provisions") are incorporated herein and adopted with respect to the Agreement and this relationship of the Parties. To the extent that the Parties disagree on the effect, method or other application of the Dispute Resolution Provisions to the Agreement and this relationship, the arbitration provisions of the Dispute Resolution Provisions shall apply to, and be used to resolve such a disagreement.
- If, for any reason whatsoever, the provisions of Section 7.1 cannot be applied or are unclear, then any claim, controversy or dispute of any kind or nature whatsoever that arises between the parties ("Dispute") which cannot be settled through negotiation, shall be the subject of mediation under the Commercial Mediation Rules of the American Arbitration Association ("AAA"). And, if the Parties cannot settle the matter through mediation, then any Dispute shall be resolved by arbitration as provided herein. Federal law shall govern the arbitrability of all claims. A single arbitrator engaged in the practice of law, who is knowledgeable about the subject matter of this Agreement and the matter in Dispute, shall conduct the arbitration under the then current rules of the AAA, unless otherwise provided herein. The arbitrator shall be selected in accordance with AAA procedures from a list of qualified people maintained by the AAA. The arbitration shall be conducted in the regional AAA office closest to where the claim arose or at an alternate location mutually agreed upon by the Parties, and all expedited procedures prescribed by the AAA rules shall apply. Either Party may request from the arbitrator injunctive relief to maintain the status quo until such time as the arbitration award is rendered or the Dispute is otherwise resolved. The arbitrator shall not have authority to award punitive damages. Each Party shall bear its own costs and attorneys' fees, and the Parties shall share equally the fees and expenses of the arbitrator. The arbitrator's decision and award shall be final and binding, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. If any Party files a judicial or administrative action asserting claims subject to arbitration, as prescribed herein, and the other Party successfully stays such action and/or compels arbitration of said claims, the Party filing said action shall pay the other Party's costs and expenses incurred in seeking such stay and/or compelling arbitration, including reasonable attorneys' fees.

#### 8. Audit.

The Parties shall fully cooperate to demonstrate to each other the accuracy of any processes, practices, reports, and data exchanged pursuant hereto and shall agree upon audit procedures that apply to the activities and services covered by this Agreement. Audit procedures will be conducted on a monthly basis at such time either Party deems necessary, except when either Party reasonably suspects a significant error is occurring. However, if they

fail to so agree, then the provisions of any Other Arrangements (if applicable) with respect to audits shall apply, to the extent appropriate.

## 9. Limitation of Liability and Warranty.

- The Buyer and Qwest agree to use their best efforts to provide each other verbal notification immediately upon discovery of errors, mistakes, or omissions in billing, provided data, or other matters, with written notification following within thirty (30) days. Such written notification shall contain detailed information to aid in identifying the cause of the error, mistake, or omission. The Parties agree to cooperate and use their best efforts to correct such error, mistake or omission, promptly, and as soon as reasonably practicable, generally within thirty (30) days of the notice or discovery (but such longer periods are expressly permitted where needed). The foregoing is the only warranty contained in this Agreement. THE FOREGOING PROCESS IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES, INCLUDING, **BUT NOT** LIMITED TO. **WARRANTIES** OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR QUALITY.
- 9.2 To the extent that either Party provides the other inaccurate or incomplete information, data, instructions, or matters, then the liability of the providing Party to the other Party shall be limited to full and complete cooperation and assistance (including such assistance and cooperation as will minimize the cost and expense of correction to the other Party) in correcting and remedying any resulting errors, mistakes and omissions; provided however, the foregoing does not limit or restrict the providing Party's liability to indemnify the other Party from claims made by third parties, including End Users. Notwithstanding the foregoing, nothing is intended to relieve a Party from liability due to its own reckless, malicious, or intentional misconduct.
- 9.3 Neither Party shall be liable due to errors, omissions, defects, interruptions of service, inadequate service, or otherwise, regardless of the cause, and the Parties sole and only obligation and remedy shall to take reasonable action to correct the alleged problems, as set forth above. IN NO EVENT SHALL QWEST BE LIABLE TO ANYONE FOR INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF REVENUES, LOSS OF PROFITS OR OTHER COMMERCIAL OR ECONOMIC LOSS ARISING OUT OF THE PERFORMANCE OR NONPERFORMANCE OF THE AGREEMENT, INCLUDING WITHOUT LIMITATION NEGLIGENT PERFORMANCE OR FAILURE TO PERFORM.
- 9.4 In no event, except as provided in Section 10.1, will the liability of either Party to the other on account of the services and activity described in this Agreement exceed the amount of \$100,000.00 plus the return of the amount, if any, that was actually improperly paid/received by a Party that did not belong to it and as a matter of equity, may not be retained by it.

# 10. Indemnification.

10.1 Each Party (the "Indemnifying Party") will indemnify and hold harmless the other Party (the "Indemnified Party") from and against any loss, cost, claims, liability, damage expense (including reasonable attorney's fees) to third parties relating to or arising out the negligence or misconduct by the Indemnifying Party, its employees, agents, or contractors in the performance of this Agreement. And, (A) Qwest, as the Indemnifying Party, will indemnify and hold harmless the Buyer, as the Indemnified Party, from and against any loss, cost, claims, liability, damage expense (including reasonable attorney's fees) to End Users (and those claiming through such End Users) relating to or arising out the provision to such End Users of the services that are directly provided by Qwest to such End Users, such as local exchange service, and (B) the Buyer, as the Indemnifying Party, will indemnify and hold harmless Qwest, as the Indemnified Octo2/CDS-021007-0003

Party from and against any loss, cost, claims, liability, damage expense (including reasonable attorney's fees) to End Users (and those claiming through such End Users) relating to or arising out the provision to such End Users of the services that are directly provided by the Buyer to such End Users, such as Long Distance Services. In addition, the Indemnifying Party will, to the extent of its responsibility hereunder for negligence, misconduct, or the provision of its services, defend any action or suit brought by a third party/End User against the Indemnified Party for any loss, cost, claim, liability, damage or expense relating to or arising out of the negligence, misconduct, or provision of service by the Indemnifying Party, its employees, agents, or contractors.

- 10.2 The Indemnified Party will notify the Indemnifying Party promptly in writing of any written claims, lawsuits, or demands by third parties or End Users for which the Indemnified Party alleges that the Indemnifying Party is responsible under this section and tender the defense of such claim, lawsuit or demand to the Indemnifying Party. The Indemnified Party also will cooperate in every reasonable manner with the defense or settlement of such claims, demand, or lawsuit.
- 10.3 The Indemnifying Party will not be liable under this section for settlements made by the Indemnified Party of any claim, demand, or lawsuit unless the Indemnifying Party has approved the settlement in advance, such approval not to be unreasonably withheld or delayed, or unless the defense of the claim, demand, or lawsuit has been tendered to the Indemnifying Party in writing, and the Indemnifying Party has failed promptly to undertake the defense.

#### 11. Proprietary and Confidential Information

The terms and provisions of the Other Arrangements set out the Parties' understanding and agreement with respect to proprietary and confidential information (the "Proprietary Provisions"), and the Proprietary Provisions are expressly adopted and shall apply to this Agreement, the activities of the Parties hereunder, the Long Distance Services, the Added Network Platform Service, and the Parties relationship with and knowledge about the End Users.

#### 12. Default.

- 12.1 Should either Party fail, materially, to meet and comply with the terms, conditions, and provisions of this Agreement, then the other Party may declare the failing Party to be in default by providing to the failing Party a written notice reasonably describing the failure and requesting the failing Party to cure and correct the material failure to meet and comply with the terms, conditions and provisions of this Agreement within thirty (30) days of the date of the notice, or if the failure is such that it cannot reasonably be cured and corrected with thirty (30) days, then as soon as reasonably possible. If the failing Party does not cure and correct its failure within the proper time period(s), the failing Party shall be deemed in default; provided however, it is agreed that any Party may cure a material failure by
  - 12.1.1 promptly advising the non-failing Party, in writing, that the failing Party desires to cure and correct the failure, and
  - 12.1.2 ending any failing or breaching acts, omissions, and behaviors, and
  - 12.1.3 promptly taking action to remedy and correct the adverse consequences of any prior failures, and

- 12.1.4 advising the non-failing Party, in writing, of the failing Party's proposal and plan to avoid future failures.
- 12.2 If a Party is in default, the other Party shall have the right to terminate this Agreement, immediately upon written notice, and such other Party may also pursue any other right or remedy permitted hereunder, in accordance with the Dispute Resolutions Provisions.
- 12.3 Nothing in this Section 12 shall be deemed or construed to limit or restrict the right of either Party to take action in accordance with and as permitted by the Dispute Resolution Provisions, it being agreed that the right of termination set forth in this Section 12 is in addition to any rights or remedies set out in the Dispute Resolution Provisions.
- 12.4 Should a Party file a petition or take other like action under the bankruptcy laws to protect itself, generally, from its creditors, or should such a petition be filed against a Party and the proceeding not stayed, dismissed or otherwise lifted within forty-five (45) days, then the other Party may immediately terminate this Agreement by written notice.

# 13. Force Majeure.

The provisions of the "Force Majeure" clause in the Other Arrangements are adopted and incorporated into this Agreement.

#### 14. Notices.

Any notice to be given hereunder shall be in writing and shall be deemed given when sent via facsimile, with a copy mailed by regular mail, to the representative of the other Party. The representative and the addresses may be changed by written notice. Other methods of written notice are permitted, so long as the notice, in fact, conveys the necessary information to the other Party, and such notices shall be deemed effective when the facsimile was received. For purposes of the Agreement, the contact information for Qwest shall be:

Qwest Corporation Attn: Eric Pflum, Product Manager 5090 North 40th Street, Room 280 Phoenix, Arizona 85018 Tel. (602) 351-6018

Fax: (602) 954-5447

#### And, for the Buyer:

Qwest Long Distance Corp. Attn: Judy Brunsting, Pres. 930 15th Street, 1st Floor Denver, Colorado 80202 Tel: 303-534-0245

# 15. Miscellaneous

15.1 Neither Party may assign or transfer this Agreement, even to a parent, subsidiary, successor or affiliated company, without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed, and any attempt to do so shall be void; provided that an assignment and transfer to an affiliated entity (parent, subsidiary, etc.) as part of a reorganization or business change that also transfer the business involved to such assignee or

transferee shall be consented to by the other Party, so long as it does not increase the obligations of the other Party

- 15.2 This Agreement does not grant or confer upon either Party any exclusive privilege or right to work with the other Party or the End Users, and either Party may enter into other contracts and understandings.
- 15.3 No identification of a Party, reference to a Party, or references to a Party's names, logos, drawings or specifications will be used in any of the other Party's advertising or promotional efforts without such Party's written permission; provided however, such permission with not be unreasonably withheld, and requests for permission will be promptly reviewed and answered.
- 15.4 The failure of a Party to insist on the strict performance of any of the terms or conditions herein or to exercise any right or privilege or the waiver of any breach hereunder shall not thereafter waive any other term, condition or privilege, whether of the same or similar type.
- 15.5 This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.
- 15.6 Nothing contained herein is intended to confer any cause or right upon any third party, nor be evidence of any duty or obligation owed or claimed to be owed by a Party to a third party.
- 15.7 Time of performance is of the essence in this Agreement and a substantial and material term hereof.
- 15.8 If any provision of this Agreement is deemed to be invalid or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.
- 15.9 Provisions of this Agreement that, by their sense and context, are intended to survive performance by either or both parties shall so survive the completion, expiration or termination of this Agreement.
- 15.10 This Agreement, together with all schedules, exhibits, and referenced documents and understandings shall constitute the entire agreement between the parties with respect to the subject matter of this Agreement. This Agreement supersedes all prior oral and written communications, agreements, and understandings of the parties with respect to the subject of this Agreement.

This Agreement is dated and effective as of the date set forth in the opening paragraph of this Agreement.

**QWEST LONG DISTANCE CORP.** 

Name Typed/Printed

Oct02/CDS-021007-0003

**QWEST CORPORATION** 

Name Typed/Printed

Title furniary 6, 2003

Date Date

# Schedule "A"

Description of Long Distance Service provided using Added Network Platform Service

The service is currently named Qwest Managed Long Distance, and as used in this Exhibit, Managed Long Distance means the Long Distance Service provided via the Added Network Platform Service. End Users who are credit-challenged and can not have unlimited access to direct-dialed long distance without paying a security deposit would have three choices. 1.) choose toll restriction with no direct-dialed access to long distance. 2.) pay a security deposit for unlimited access to direct-dialed long distance. 3.) select Managed Long Distance service that allows limited access to direct-dialed long distance

If the End User chooses Managed Long Distance, they will receive a spending limit of \$20.00 per month for long distance direct-dialed calling plus taxes. The charge is not billed in advance. When an End User makes a direct-dialed long distance call, a voice prompt will announce the number of minutes remaining toward their \$20.00 limit. The remaining time is calculated based on the location the caller has dialed and on the Buyer rates in Schedule B. Callers also receive a 5-minute and 1-minute warning that they are approaching their \$20.00 limit. When the End User reaches the \$20.00 limit, a voice prompt is played advising that they have reached their spending limit for the month. The call is then disconnected.

The \$20.00 spending limit is allowed per calendar month and is not based on the bill date. The End User is allowed to use the total amount of the spending limit when the service is established regardless of the amount of days left in the calendar month. For example, if the service were established on the 25<sup>th</sup> of the month, the End User would be allowed to use up to the \$20.00 limit toward direct-dialed long distance for the remaining days of that calendar month. There is no carry-over of unused spending limits from month to month. If the spending limit is not used in one month, the unused amount is not added to the next month's spending limit. Additional spending limit amounts, either more or less than \$20.00, may be added in the future when mutually agreed upon by both the Buyer and Qwest.

There is no set up charge or minimum billing. The End User only pays for what they use. Calls are billed in one-minute increments rounded up to the next full minute. Calling is limited to the U.S., Canada and Mexico.

The End User selects the interexchange carrier. Due to technical limitations, the End User must select the same carrier for intraLATA and interLATA service. The carrier must be participating in the Managed Long Distance service. The Qwest service representative will describe the Service as one that controls the amount of spending on direct dialed long distance. If the End User elects to order Managed Long Distance, the End User will be requested to select an interexchange carrier, and the representative will advise the End User of the names of the interexchange carriers that have elected to provide Managed Long Distance Service to End Users Participating carriers will be identified to the End User, without any comment. Carrier names will be shifted consistent with existing preferred interexchange carrier practice.

Each participating carrier (Buyer) will establish their own rates for End Users of Managed Long Distance. Technical limitations of the Network Platform Service require that the carrier set a single rate for domestic U.S. calls, a single rate for calls to Canada and a single rate for calls to Mexico. Calls outside those areas will not be allowed. The participating carrier rates for End Users will be loaded into the Network Platform Service. Initially, any rate changes will be managed to once every three months with a minimum of 45 days written notice. Taxes will be applied in the manner of other long distance calls and are not calculated in the Network

Platform Service. Calls will be timed and must be billed in one-minute increments rounded up to the next full minute.

A participating long distance carrier (Buyer) will be notified prior to the activation of a new Managed Long Distance End User via a PIC/LPIC and a CARE feed of 2716, TBI 2. Qwest Long Distance will also receive notification with a special USOC (PCCBX) to enable Qwest Long Distance to comply with 272 requirements not required of other carriers. It is the buyer's responsibility to convert the CARE information and unique USOC into the Managed Long Distance rate plan for the Managed Long Distance end user as well as manage the same CARE codes for existing customers put on toll restriction. In the future, the Network Platform Service will distribute a daily file to the Buyer with additional information not provide by CARE. Calls will be routed through the Network Platform service for monitoring, timing and voice prompts. Calls will then be routed to the participating carrier tandem switch as a normal direct-dialed long distance call.

At such time as the End User Service is ended, whether due to non-payment or otherwise, the long distance direct-dialing ability provided as part of the End User Service will be denied. Ending the End User Service will not affect any other service, including the End User's ability to establish regular local long distance and long distance service (subject to any block or limitation otherwise appropriate, due to act or neglect of the End User). Non-payment of long distance charges associated with the End User Service will not affect local exchange service.

The long distance direct-dialed dialing pattern will be provided by the Qwest so-called Advanced Intelligent Network (the "AIN Equipment"). The residential, local exchange line of the End User will be equipped to route a direct-dialed long distance call to the point of presence of the End User selected interexchange carrier within the End User's LATA. The AIN Equipment will track the amount of Long Distance Service available to each End User, and each such End User will be advised of the time remaining. Qwest will program the AIN Equipment with the needed based on the information supplied by the selected Interexchange Carrier, the payments made by the End User, and the amount of use tracked by the AIN Equipment.

By way of explanation, when an End User uses the Long Distance Service, the serving local office switch will route the call to the AIN Equipment, where the amount of time available would be verified, the preferred Interexchange Carrier identified, the End User alerted to the remaining minutes of use, and the call would then be routed to the Interexchange Carrier's point of presence within the End User's originating LATA so the call could be completed.

## Schedule "B"

# Description of Rates and Charges

Added Network Platform Services supplied by Qwest to the Buyer in this Agreement are priced at \$.07 per minute of use. These charges will be billed monthly in aggregate to the Buyer. Minutes of use will be rounded up to the next whole minute, and will be based on the same minutes of use as the Long Distance Service.

The Buyer must provide a single End User rate for each of the three categories listed below:

Domestic U.S. (including Alaska/Hawaii/interLATA/intra LATA): \$0.18

Canada: \$0.30

Mexico: \$0.35

Buyer End User rates may not be changed more than once every ninety days. Rate changes require a minimum of sixty (60) days written notice to Qwest.

# Schedule "C"

# Description of Methods and Practices

At the end of each month, Qwest shall submit an invoice listing the minutes of use in aggregate by the End Users using the Buyer as the preferred provider with a total for that month.

The Buyer shall remit to Qwest within its ordinary remittance cycle, the total amount of platform charges based on the rate identified on Schedule "B" of this Agreement.

Qwest and/or Buyer has the right to immediately block End User Services for any End User based on such End User's non-payment of services to Buyer.

Buyer has the right to terminate its purchase of the Added Network Platform Services from Qwest with forty-five (45) days prior written notice to Qwest. The Buyer must provide any and all necessary notice to the affected End Users, and the Buyer shall be responsible for communications and dealing with the affected End Users, including securing deposits and establishing other services.

#### Attachment I

## Example A:

Assume that at the end of March, 2003, there are five End Users who have been disconnected that exceeded the 'significant failure threshold of 200 minutes' and have not paid their bills. Each disconnected End User has 220 minutes of use for the month of November, 2002; 160 minutes of use for the month of December 2002, 250 minutes of use for the month of January 2003 and 210 minutes of use for the month of February, 2003.

The amount of the "Significant Failure Debt" is:

November: 20 minutes X 5 = 100 minutes

December: No overage

January: 50 minutes X 5 = 250 minutes February: 10 minutes X 5 = 50 minutes

Only November and December charges are 90 days unpaid.

100 minutes over threshold (Nov.) = 100 minutes X \$.15 = \$15.00 which is less than the \$3000.00 threshold per calendar month, so no credit is due for November.

0 minutes over threshold (Dec.) = no credit due for December.

# Example B:

Assume that at the end of March, 2003, there are five hundred End Users who have been disconnected that exceeded the 'significant failure threshold of 200 minutes' and have not paid their bills. Each disconnected End User has 220 minutes of use for the month of November, 2002; 300 minutes of use for the month of December 2002, 250 minutes of use for the month of January 2003 and 210 minutes of use for the month of February, 2003.

The amount of the "Significant Failure Debt" is:

November: 20 minutes X 500 = 10,000 minutes December: 100 minutes X 500 = 50,000 minutes January: 50 minutes X 500 = 25,000 minutes February: 10 minutes X 500 = 5000 minutes

Only November and December charges are 90 days unpaid.

10,000 minutes (Nov.) X \$.15 a minute = \$1500.00 which is less than \$3000.00 threshold per calendar month so no credit is due for November.

50,000 minutes (Dec.) X \$.15 = \$7500.00 which is more than the \$3000.00 threshold per calendar month. \$7500.00 credit is due for December.