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3/20/03

**INTERCONNECTION AGREEMENT- UNDER SECTIONS 251
AND 252 OF THE TELECOMMUNICATIONS ACT OF 1996**

Between

TDS TELECOM

and

US LEC OF TENNESSEE INC.

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INTERCONNECTION AGREEMENT

This Interconnection Agreement - under Sections 251 and 252 of the Telecommunications Act of 1996 ("Agreement") is dated as of the date last signed by and between Concord Telephone Exchange, Inc., Tennessee Telephone Company, Humphreys County Telephone Company, and Tellico Telephone Company, Inc. each as corporations organized under the laws of the State of Tennessee, (collectively, "TDS TELECOM") and US LEC of Tennessee Inc., ("US LEC"), a Delaware corporation, with its principal place of business at 6801 Morrison Blvd., Charlotte, NC 28211.

WHEREAS, the Parties desire to interconnect their networks at mutually agreed upon points of interconnection to provide, directly or indirectly, Telephone Exchange Services and Exchange Access to residential and/or business End Users in the state of Tennessee; and

WHEREAS, the Parties are entering into this Agreement to set forth the respective obligations of the Parties and the terms and conditions under which the Parties will interconnect their networks and facilities and provide to each other services as required by Sections 251(a) and (b) of the Telecommunications Act of 1996 as specifically set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants of this Agreement US LEC and TDS TELECOM hereby agree as follows:

This Agreement is composed of General Terms and Conditions, which are set forth below, together with certain Appendices, Schedules, Exhibits and Addenda which immediately follow this Agreement, all of which are hereby incorporated in this Agreement by this reference and constitute a part of this Agreement.

GENERAL TERMS AND CONDITIONS

1. INTRODUCTION AND SCOPE OF AGREEMENT

1.1 Pursuant to Sections 251(a) and (b) of the Telecommunications Act of 1996 ("Act"), this Agreement sets forth the terms and conditions for the interconnection of US LEC's network to TDS TELECOM's network, compensation for the transport and termination of telecommunications traffic between TDS TELECOM and US LEC, and the provision of Ancillary Functions by TDS TELECOM and US LEC.

- .2 The Parties acknowledge and agree that by entering into and performing in accordance with this Agreement, the Parties have not waived any applicable exemptions that are provided by or available under the Act, including but not limited to those described in 47 USC 251(f), or under state law.
- .3 TDS TELECOM may fulfill the requirements imposed upon it by this Agreement by itself or may cause its Affiliates to take such actions to fulfill the responsibilities.
- 1.4 This Agreement includes and incorporates herein all accompanying Appendices, Addenda and Exhibits.

2. DEFINITIONS

2.1 Capitalized Terms used in this Agreement shall have the respective meanings specified below, in Section 2.2.x of each Appendix attached hereto, and/or as defined elsewhere in this Agreement.

2.2 GENERAL DEFINITIONS

“Access Service Request” (ASR) is an industry standard form used by the Parties to add, establish, change or disconnect trunks for the purposes of Interconnection.

“Act” means the Communications Act of 1934 [47 U.S.C. 153(R)], as amended by the Telecommunications Act of 1996, Public Law 104-104, 110 Stat. 56 (1996) codified throughout 47 U.S.C. and as amended from time to time.

“Advanced Services” means intrastate or Interstate wireline Telecommunications Services, such as ADSL, xDSL that rely on packetized technology and have the capability of supporting transmissions speeds of at least 56 kilobits per second in both directions. This definition of Advanced Services does not include:

2.2.3.1 Data services that are not primarily based on packetized technology, such as ISDN,

2.2.3.2 x.25-based and x.75-based packet technologies, or

2.2.3.3 Circuit switched services (such as circuit switched voice grade service) regardless of the technology, protocols or speeds used for the transmission of such services.

“Affiliate” is As Defined in the Act.

“Alternate Billing Service (ABS)” means a service that allows End Users to bill calls to accounts that may not be associated with the originating line. There are three types of ABS calls: calling card, collect and third number billed calls.

2.2.6 **“Applicable Law”** means all final and unstayed laws, statutes, common law, regulations, ordinances, codes, rules, guidelines, orders, permits, tariffs and approvals, including those relating to the environment or health and safety, of any Governmental Authority that apply to the Parties or the subject matter of this Agreement.

“As Defined in the Act” means as specifically defined by the Act.

“As Described in the Act” means as described in or required by the Act.

“Automatic Message Accounting” (AMA) is a structure inherent in switch technology that initially records Telecommunication message information. AMA format is contained in the Automated Message Accounting document published by Telcordia (formerly known as Bellcore) as GR-1100-CORE, which defines and amends the industry standard for message recording.

2.2.10 **“Business Day”** means Monday through Friday, excluding holidays observed by either Party. A list of recognized holidays will be exchanged between the Parties prior to December 31 for the following year.

2.2.11 **“Calling Party Number” (CPN)** means a Signaling System 7 “SS7” parameter whereby the ten (10) digit number of the calling Party is forwarded from the End Office.

2.2.12 **“Central Office switch” (Central Office)** is a switching entity within the public switched telecommunications network, including but not limited to:

2.2.12.1 **“End Office Switch” or “End Office”** is a switching machine that directly terminates traffic to and receives traffic from purchasers of local exchange services. An End Office Switch does not include a PBX, but may provide Centrex type services.

- 2.2.12.2 **“Tandem Office Switch” or “Tandem(s)”** are used to connect and switch trunk circuits between and among other Central Office Switches. A Tandem Switch does not include a PBX.
- 2.2.13 **“Commission”** means the Tennessee Regulatory Authority.
- 2.2.14 **“Common Channel Signaling” (CCS)** means an out-of-band, packet-switched, signaling network used to transport supervision signals, control signals, and data messages. It is a special network, fully separate from the transmission path of the public switched network. Unless otherwise agreed by the Parties, the CCS protocol used by the Parties shall be SS7.
- 2.2.15 **“Common Language Location Identifier” (CLLI)** codes provide a unique 11-character representation of a network interconnection point. The first 8 characters identify the city, state and building location, while the last 3 characters identify the network component.
- 2.2.16 **“Consequential Damages”** means Losses claimed to have resulted from any indirect, incidental, reliance, special, consequential, punitive, exemplary, multiple or any other Loss, including damages claimed to have resulted from harm to business, loss of anticipated revenues, savings, or profits, or other economic Loss claimed to have been suffered not measured by the prevailing Party's actual damages, and regardless of whether the Parties knew or had been advised of the possibility that such damages could result in connection with or arising from anything said, omitted, or done hereunder or related hereto, including willful acts or omissions.
- 2.2.17 **“Custom Local Area Signaling Service Features” (CLASS Features)** means certain Common Channel Signaling based features available to End Users, including: Automatic Call Back; Call Trace; Distinctive Ringing/Call Waiting; Selective Call Forward; and Selective Call Rejection.
- 2.2.18 **“Customer” or “End Users”** means a third-party residence or business that subscribes to Telecommunications Services provided by any of the Parties at retail. As used herein, the term "End Users" does not include any of the Parties to this Agreement with respect to any item or service obtained under this Agreement.
- 2.2.19 **“Delaying Event”** means (a) any failure of a Party to perform any of its obligations set forth in this Agreement, caused in whole or in part by:

- 2.2.19.1 the failure of the other Party to perform any of its obligations set forth in this Agreement, including but not limited to a Party's failure to provide the other Party with accurate and complete Service Orders;
- 2.2.19.2 any delay, act or failure to act by the other Party or its End User, agent or subcontractor; or
- 2.2.19.3 any Force Majeure Event.
- 2.2.20 **"Dialing Parity"** is As Defined in the Act. As used in this Agreement, Dialing Parity refers to both Local Dialing Parity and Toll Dialing Parity.
- 2.2.21 **"Digital Signal Level"** is one of several transmission rates in the time-division multiplex hierarchy.
- 2.2.21.1 **"Digital Signal Level 0" (DS-0)** is the 64 Kbps zero-level signal in the time-division multiplex hierarchy.
- 2.2.21.2 **"Digital Signal Level 1" (DS-1)** is the 1.544 Mbps first-level signal in the time-division multiplex hierarchy.
- 2.2.21.3 **"Digital Signal Level 3" (DS-3)** is the 44.736 Mbps third-level signal in the time-division multiplex hierarchy.
- 2.2.22 **"Exchange Access"** is As Defined in the Act.
- 2.2.23 **"Exchange Area"** means an area, defined by the Commission, for which a distinct local rate schedule is in effect.
- 2.2.24 **"Exchange Service"** means Telephone Exchange Service, As Defined in the Act.
- 2.2.25 **"FCC"** means the Federal Communications Commission.
- 2.2.26 **"Feature Group D" (FG-D)** is access available to all customers, providing trunk side access to a Party's End Office Switches with an associated uniform 101XXXX access code for customer's use in originating and terminating communications.
- 2.2.27 **"Fiber Meet"** means an Interconnection architecture method whereby the Parties physically interconnect their networks via an optical fiber interface (as opposed to an electrical interface) at a mutually agreed upon location,

at which one Party's responsibility or service begins and the other Party's responsibility ends.

- 2.2.28 **"Governmental Authority"** means any federal, state, local, foreign, or international court, government, department, commission, board, bureau, agency, official, or other regulatory, administrative, legislative, or judicial authority with jurisdiction over the subject matter at issue.
- 2.2.29 **"Incumbent Local Exchange Carrier" (ILEC)** is As Defined in the Act.
- 2.2.30 **"Indirect Interconnection"** provides for network interconnection between the Parties through a third party tandem provider performing a transit function.
- 2.2.31 **"Integrated Services Digital Network" (ISDN)** means a switched network service that provides end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN (BRI-ISDN) provides for a digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel (2B+D).
- 2.2.32 **"Intellectual Property"** means copyrights, patents, trademarks, trade secrets, mask works and all other intellectual property rights.
- 2.2.33 **"Interconnection"** is As Defined in the Act.
- 2.2.34 **"Interconnection Activation Date"** is the date that the construction of the joint facility Interconnection arrangement has been completed, trunk groups have been established, joint trunk testing is completed and trunks have been mutually accepted by the Parties.
- 2.2.35 **"Interexchange Carrier" (IXC)** means a carrier that provides, directly or indirectly, interLATA or intraLATA Telephone Toll Services.
- 2.2.36 **"InterLATA"** is As Defined in the Act.
- 2.2.37 **"Internet Service Provider" (ISP)** is an Enhanced Service Provider that provides Internet Services, and is defined in paragraph 341 of the FCC's First Report and Order in CC Docket No. 97-158.
- 2.2.38 **"Inter-wire Center Transport"** means the transmission facilities between serving wire centers.

- 2.2.39 **“IntraLATA Toll Traffic”** means the IntraLATA traffic between stations in different exchange areas for which there is made a separate charge not included in a subscriber’s basic rate for exchange service.
- 2.2.40 **“Line Information Data Base” (LIDB)** means a transaction-oriented database system that functions as a centralized repository for data storage and retrieval. LIDB is accessible through CCS networks. LIDB contains records associated with End User line numbers and special billing numbers. LIDB accepts queries from other network elements and provides return result, return error, and return reject responses as appropriate. Examples of information that Data Owners might store in LIDB and in their Line Records are: ABS Validation Data, Originating Line Number Screening (OLNS) data, ZIP Code data, and Calling Name Information.
- 2.2.41 **“Line Record”** means information in LIDB and/or the LIDB administrative system that is specific to a single telephone number or Special Billing Number.
- 2.2.42 **“Local Access Transport Area” (LATA)** is As Defined in the Act.
- 2.2.43 **“Local Traffic”**, for purposes of intercarrier compensation, is traffic where all calls are within the same common local and common mandatory local calling area, i.e., within the same or different TDS TELECOM Exchange(s) that participate in the same common local mandatory local calling area approved by the applicable state Commission. Local Traffic must actually originate and actually terminate to parties physically located within the same common local or common mandatory local calling area. Local Traffic does not include optional calling plans (i.e. optional rate packages that permit the end user to choose a local calling scope beyond their basic local calling area for an additional fee).
- 2.2.44 **“Local Exchange Carrier” (LEC)** is As Defined in the Act.
- 2.2.45 **“Local Exchange Routing Guide” (LERG)** is a Telcordia Reference document used by Telecommunications Carriers to identify NPA-NXX routing and homing information as well as equipment designations.
- 2.2.46 **“Local Number Portability” (LNP)** means the ability of users of Telecommunications Services to retain, within the same exchange area, a previously existing telephone number(s).
- 2.2.47 **“Location Routing Number” (LRN)** is a ten (10) digit number that is assigned to the network switching elements (Central Office – Host and

Remotes as required) for the routing of calls in the network. The first six (6) digits of the LRN will be one of the assigned NPA NXX of the switching element. The purpose and functionality of the last four (4) digits of the LRN have not yet been defined but are passed across the network to the terminating switch.

- 2.2.48 **“Loss” or “Losses”** means any and all losses, costs (including court costs), claims, damages (including fines, penalties, and criminal or civil judgments and settlements), injuries, liabilities and expenses (including attorneys’ fees).
- 2.2.49 **“MECAB”** refers to the Multiple Exchange Carrier Access Billing document prepared by the Billing Committee of the Ordering and Billing Forum “OBF”, which functions under the auspices of the Carrier Liaison Committee “CLC of the Alliance for Telecommunications Industry Solutions “ATIS”. The MECAB document, published by ATIS as ATIS/OBF- MECAB- Issue 6, February 1998, contains the recommended guidelines for the billing of access services provided to an IXC by two or more LECs, or by one LEC in two or more states within a single LATA.
- 2.2.50 **“Meet-Point Billing” (MPB)** refers to the billing associated with interconnection of facilities between two or more LECs for the routing of traffic to and from an IXC with which one of the LECs does not have a direct connection. In a multi-bill environment, each Party bills the appropriate tariffed rate for its portion of a jointly provided Switched Exchange Access Service.
- 2.2.51 **“Multiple Bill/Single Tariff”** is the meet-point billing method where each LEC prepares and renders its own meet point bill to the IXC in accordance with its own tariff for that portion of the jointly provided Switched Access Service which that LEC provides. The MECAB documents refer to this method as Multiple Bill/reflecting a single tariff (MM).
- 2.2.52 **“Mutual Compensation”** is the compensation agreed upon by the Parties for those “Local Calls” that originate on one network and terminate on the other network.
- 2.2.53 **“North American Numbering Plan” (NANP)** A numbering architecture in which every station in the NANP Area is identified by a unique ten-digit address consisting of a three-digit NPA code, a three digit central office code of the form NXX, and a four-digit line number of the form XXXX.
- 2.2.54 **“Number Portability”** is As Defined in the Act.

- 2.2.55 **“Numbering Plan Area” (NPA)** also called area code. An NPA is the 3-digit code that occupies the A, B, C positions in the 10-digit NANP format that applies throughout the NANP Area. NPAs are of the form NXX, where N represents the digits 2-9 and X represents any digit 0-9. In the NANP, NPAs are classified as either geographic or non-geographic. a) Geographic NPAs are NPAs that correspond to discrete geographic areas within the NANP Area. b) Non-geographic NPAs are NPAs that do not correspond to discrete geographic areas, but which are instead assigned for services with attributes, functionalities, or requirements that transcend specific geographic boundaries. The common examples are NPAs in the N00 format, e.g., 800.
- 2.2.56 **“NXX” or “Central Office Code”** is the three-digit switch entity indicator that is defined by the fourth through sixth digits of a 10-digit telephone number within the NANP. Each NXX Code contains 10,000 station numbers.
- 2.2.57 **“Ordering and Billing Forum” (OBF)** is a forum comprised of local telephone companies and inter-exchange carriers whose responsibility is to create and document Telecommunication industry guidelines and standards.
- 2.2.58 **“Party”** means either US LEC or TDS TELECOM that is a party to this Agreement. **“Parties”** means both US LEC and TDS TELECOM.
- 2.2.59 **“Permanent Number Portability” (PNP)** is a long-term method of providing LNP using LRN.
- 2.2.60 **“Point of Interconnection” (POI)** is a physical location at which the Parties’ networks meet for the purpose of establishing Interconnection. POIs include a number of different technologies and technical interfaces based on the Parties’ mutual agreement.
- 2.2.61 **“Rate Center”** means the specific geographic point that has been designated by a given LEC as being associated with a particular NPA-NXX code that has been assigned to the LEC for its provision of Telephone Exchange Service. The Rate Center is the finite geographic point identified by a specific V&H coordinate, which is used by that LEC to measure, for billing purposes, distance sensitive transmission services associated with the specific Rate Center.

- 2.2.62 **“Rating Point”** means the V&H coordinates associated with a particular telephone number for rating purposes.
- 2.2.63 **“Referral Announcement”** refers to a process by which calls are routed to an announcement that states the new telephone number of an End User.
- 2.2.64 **“Routing Point”** is a location which a LEC has designated on its own network as the homing or routing point for traffic inbound to Exchange Service provided by the LEC which bears a certain NPA-NXX designation. The Routing Point is employed to calculate mileage measurements for the distance-sensitive transport element charges of Switched Access services. The Routing Point need not be the same as the Rating Point, nor must it be located within the Rate Center area, but must be in the same LATA as the NPA-NXX.
- 2.2.65 **“Signal Transfer Point” (STP)** performs a packet switching function that routes signaling messages among Service Switching Points (SSP), Service Control Points (SCP), Signaling Points (SP), and other STPs in order to set up calls and to query databases for Advanced Services.
- 2.2.66 **Signaling Transport Signal level (STS-n)** is an electrical signal that is converted to or from SONET’s optically based signal. Level 1 is 51.84 Mb/s or the electrical equivalent to OC-1 optical signal, level 2 is 155.52 Mb/s or the electrical equivalent to OC-3.
- 2.2.67 **“Signaling System 7” (SS7)** means a signaling protocol used by the CCS Network.
- 2.2.68 **“Switched Exchange Access Service”** means the offering of transmission or switching services to Telecommunications Carriers for the purpose of the origination or termination of telephone toll service. Switched Exchange Access Services include: Feature Group A, Feature Group B, Feature Group D, 800/888 access, and 900 access and their successors or similar Switched Exchange Access Services.
- 2.2.69 **“Synchronous Optical Network” (SONET)** is an optical interface standard that allows inter-networking of transmission products from multiple vendors. The base rate is 51.84 Mbps (“OC-1/STS-1”) and higher rates are direct multiples of the base rate, up to 13.22 Gbps.
- 2.2.70 **“Telecommunications”** is As Defined in the Act.
- 2.2.71 **“Telecommunications Carrier”** is As Defined in the Act.

2.2.72 **“Telecommunications Service”** is As Defined in the Act.

“Telephone Exchange Service” is As Defined in the Act.

“Telephone Toll Service” is As Defined in the Act.

2.2.75 **“Trunk”** means a communication line between two switching systems.

2.2.76 **“Wire Center”** is the location of one or more local switching systems. A point at which End User’s loops within a defined geographic area converge. Such local loops may be served by one (1) or more Central Office Switches within such premises.

2.3 For purposes of this Agreement, certain terms have been defined in this Agreement to encompass meanings that may differ from, or be in addition to, the normal connotation of the defined word. Unless the context clearly indicates otherwise, any term defined or used in the singular will include the plural. The words “include,” “includes,” and “including” shall be deemed to be followed by the phrase “without limitation” and/or “but not limited to.” The words “will” and “shall” are used interchangeably throughout this Agreement and the use of either connotes a mandatory requirement. The use of one or the other will not mean a different degree of right or obligation for either Party. A defined word intended to convey its special meaning is capitalized when used. Other terms that are capitalized and not defined in this Agreement will have the meaning in the Act, or in the absence of their inclusion in the Act, their customary usage in the Telecommunications industry as of the Effective Date.

3. **EFFECTIVE DATE**

3.1 This Agreement becomes effective (“Effective Date”) (1) when executed by each Party and approved by the Commission under Section 252(e) of the Act; or (2) absent such Commission approval, by operation of law pursuant to Section 252(e)(4) of the Act.

4. **INTERVENING LAW**

4.1 The Parties acknowledge that the respective rights and obligations of each Party as set forth in this Agreement are based upon the Act and the rules and regulations promulgated thereunder by the FCC and the Commission as of the Effective Date (“Applicable Rules”). In the event of any amendment of the Act, any effective legislative action or any effective final and unstayed regulatory or judicial order, rule, regulation, arbitration award, dispute resolution procedures under this Agreement or other legal action purporting to apply the provisions of the Act to

the Parties or in which the court, FCC or the Commission makes a generic determination that is generally applicable which revises, modifies or reverses the Applicable Rules (individually, "Amended Rules"), either Party may, by providing written notice to the other Party, require that the affected provisions of this Agreement be renegotiated in good faith and this Agreement shall be amended accordingly to reflect the pricing, terms and conditions and collectively of each such Amended Rules relating to any of the provisions in this Agreement. If negotiations fail, disputes between the Parties concerning the interpretation of the actions required or provisions affected by such governmental actions shall be resolved pursuant to the dispute resolution process provided for in this Agreement. The Parties further acknowledge and agree that by executing this Agreement, neither Party waives any of its rights, remedies, or arguments with respect to such decisions and any remand thereof, including its right to seek legal review or a stay pending appeal of such decisions or its rights under this Intervening Law paragraph.

5. TERM OF AGREEMENT

5. This Agreement will become effective as of the Effective Date stated above, and unless terminated earlier in accordance with the terms hereof, shall continue in effect until two years after the date last signed by the Parties (the "Initial Term"), and thereafter the Agreement shall continue in force and effect unless and until terminated as provided herein.
- 5.2 Notwithstanding any other provision of this Agreement, either Party (the "Terminating Party") may terminate this Agreement and the provision of any Interconnection, functions, facilities, products or services provided pursuant to this Agreement in the event that the other Party fails to perform a material obligation or breaches a material term of this Agreement and the other Party (i.) fails to cure such nonperformance or breach within forty-five (45) calendar days after receiving written notice thereof pursuant to this Section 5.2; and (ii.) has not commenced a dispute regarding the subject of the breach pursuant to Section 16.2.1 within the same forty-five (45) calendar days.
- 5.3 Upon the expiration of the Initial Term or any time thereafter, either Party may terminate this Agreement by providing written notice to the other Party of its intention to terminate, such written notice to be received at least ninety (90) days in advance of the date of termination. Neither Party shall have any liability to the other Party for termination of this Agreement pursuant to this Section 5.3 other than its obligations under Sections 5.4 and 5.5.
- 5.4 Upon termination or expiration of this Agreement in accordance with Sections 5.2 or 5.3:

Each Party shall continue to comply with its obligations set forth in Section 44; and

Each Party shall promptly pay all amounts owed under this Agreement, or follow the procedures for billing disputes as set forth herein.

Each Party's confidentiality obligations shall survive; and

Each Party's indemnification obligations shall survive.

- 5.5 In the event of termination of this Agreement pursuant to Section 5.3, TDS TELECOM and US LEC shall cooperate in good faith to effect an orderly transition of service under this Agreement; provided that US LEC shall be solely responsible (from a financial, operational and administrative standpoint) to ensure that its End Users have been transitioned to a new LEC by the expiration date or termination date of this Agreement.
- 5.6 If either Party seeks to renegotiate this Agreement, unless otherwise agreed by the Parties, it must provide written notice thereof to the other Party at least ninety (90) days prior to the end of the Initial Term. Any such request shall be deemed by both Parties to be a good faith request for Interconnection pursuant to Section 252 of the Act (or any successor provision), regardless of which Party made such request. If the Parties do not execute a new interconnection agreement within the respective periods set under the Act, either Party may exercise its applicable rights under the Act.
- 5.7 If either Party requests renegotiation of this Agreement pursuant to Section 5.6 above, the rates, terms and conditions of this Agreement shall continue in full force and effect until the effective date of its successor agreement, whether such successor agreement is established via negotiation, arbitration or pursuant to Section 252(i) of the Act; provided, however, when a successor agreement becomes effective, the terms, rates and charges of such successor Agreement shall apply retroactively back to the date this Agreement is terminated or expires, whichever is later, and that the retro-active true-up shall be completed within ninety (90) calendar days following the effective date of such successor Agreement.

6. ASSIGNMENT

- 6.1 Neither Party hereto may assign or otherwise transfer its rights or obligations under this Agreement, except with the prior written consent of the other Party hereto, which consent will not be unreasonably withheld; provided, that TDS

TELECOM may assign its rights and delegate its benefits, duties and obligations under this Agreement without the consent of US LEC to a 100 per cent owned affiliate of TDS Telecommunications Corporation, provided the performance of any such assignee is guaranteed by the assignor. Nothing in this Section is intended to impair the right of either Party to utilize subcontractors.

- 6.2 Each Party will notify the other in writing not less than 60 days in advance of anticipated assignment.

7. DELEGATION TO AFFILIATE

- 7.1 Each Party may, without the consent of the other Party, fulfill its obligations under this Agreement by itself or may cause its Affiliate(s) to take some or all of such actions to fulfill such obligations. Upon such delegation, the Affiliate shall become a primary obligor hereunder with respect to the delegated matter, but such delegation shall not relieve the delegating Party of its obligations as co-obligor hereunder. Any Party which elects to perform its obligations through an Affiliate shall cause its Affiliate to take all action necessary for the performance of such Party's obligations hereunder. Each Party represents and warrants that if an obligation under this Agreement is to be performed by an Affiliate, such Party has the authority to cause such Affiliate to perform such obligation and such Affiliate will have the resources required to accomplish the delegated performance.

8. CONFIDENTIALITY AND PROPRIETARY INFORMATION

- 8.1 For the purposes of this Agreement, "Proprietary Information" means confidential or proprietary technical or business information given by one Party ("the Disclosing Party") or its agent, employee, representative or Affiliate to the other in connection with this Agreement, during negotiations and the term of this Agreement:

In written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary" however, regardless of whether so marked, any non-public information which, because of legends or other markings, the circumstances of disclosure or the information itself, is otherwise reasonably understood by the Receiving Party to be proprietary and confidential to the Disclosing Party, shall be deemed to be Proprietary Information; or

Any portion of any notes, analyses, data, compilations, studies, interpretations or other documents prepared by any Receiving Party to the extent the same contain, reflect, are derived from, or are based upon, any of the information described in this Section 8, unless such information

contained or reflected in such notes, analyses, etc. is so commingled with the Receiving Party's information that disclosure could not possibly disclose the underlying proprietary or confidential information (such portions of such notes, analyses, etc. referred to herein as "**Derivative Information**").

8.2 Proprietary Information Shall be Held in Confidence

Each Receiving Party agrees that:

8.2.1 all Proprietary Information communicated to it or any of its agents, attorneys, employees, representatives and Affiliates in connection with this Agreement shall be held in confidence to the same extent as such Receiving Party holds its own confidential information of like importance; provided that such Receiving Party and its agents, attorneys, employees, representatives and Affiliates shall not use less than a reasonable standard of care in maintaining the confidentiality of such information;

8.2.1.2 it will not, and it will not permit any of its agents, attorneys, employees, representatives and Affiliates to disclose such Proprietary Information to any Third Party;

8.2.1.3 it will disclose Proprietary Information only to those of its agents, attorneys, employees, representatives and Affiliates who have a need for it in connection with the use or provision of any services required to fulfill this Agreement; and

8.2.1.4 it will, and will cause each of its agents, attorneys, employees, representatives and Affiliates, to use such Proprietary Information only to perform its obligations under this Agreement or to use services provided by the Disclosing Party hereunder and for no other purpose, including its own marketing purposes.

A Receiving Party may disclose Proprietary Information of a Disclosing Party to the Receiving Party's agents, attorneys, employees, representatives and Affiliates who need to know such information to perform their obligations under this Agreement; provided that before disclosing any Proprietary Information to any agent, employee, representative or Affiliate, the Receiving Party shall notify such agent, employee, representative or Affiliate of such Party's obligation to comply with this Agreement. Each Receiving Party making such disclosure shall notify the Disclosing Party

as soon as possible if it has knowledge of a breach of this Agreement in any material respect.

Proprietary Information shall not be reproduced by any Receiving Party in any form except to the extent (i.) necessary to comply with the provisions of Section 8.5 and (ii.) reasonably necessary to perform its obligations under this Agreement.

- 8.3 Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to such Proprietary Information that:

Was at the time of receipt, already known to the Receiving Party, free of any obligation to keep confidential and evidenced by written records prepared prior to delivery by the Disclosing Party; or

Is, or becomes publicly known through no wrongful act of the Receiving Party; or

- 8.3.3 Is rightfully received from a Third Party having no direct or indirect secrecy or confidentiality obligation to the Disclosing Party with respect to such information; provided that such Receiving Party has exercised commercially reasonable efforts to determine whether such Third Party has any such obligation; or

Is independently developed by an agent, employee representative or Affiliate of the Receiving Party and such Party is not involved in any manner with the provision of services pursuant to this Agreement and does not have any direct or indirect access to the Proprietary Information; or

Is disclosed to a Third Party by the Disclosing Party without similar restrictions on such Third Party's rights; or

Is approved for release by written authorization of the Disclosing Party, but only to the extent of the authorization granted; or

Is required to be made public by the Receiving Party pursuant to Applicable Law or regulation, provided that such production or disclosure shall have been made in accordance with Section 8.5.

- 8.4 Proposed Disclosure of Proprietary Information to a Governmental Authority

If a Receiving Party desires to disclose or provide to a Commission, the FCC or any other governmental authority any Proprietary Information of

the Disclosing Party, such Receiving Party shall, prior to and as a condition of such disclosure, (i.) provide the Disclosing Party with written notice and the form of such proposed disclosure as soon as possible but in any event early enough to allow the Disclosing Party to protect its interests in the Proprietary Information to be disclosed and (ii.) attempt to obtain in accordance with the applicable procedures of the intended recipient of such Proprietary Information an appropriate order for protective relief or other reliable assurance that confidential treatment shall be accorded to such Proprietary Information.

If a Receiving Party is required by any Governmental Authority or by Applicable Law to disclose any Proprietary Information, then such Receiving Party shall provide the Disclosing Party with written notice of such requirement as soon as possible, and in no event later than five (5) calendar days after receipt of such requirement, and prior to such disclosure. Upon receipt of written notice of the requirement to disclose Proprietary Information, the Disclosing Party at its expense, may then either seek appropriate protective relief in advance of such requirement to prevent all or part of such disclosure or waive the Receiving Party's compliance with this Section 8.4 with respect to all or part of such requirement.

The Receiving Party shall use all commercially reasonable efforts to cooperate with the Disclosing Party in attempting to obtain any protective relief which such Disclosing Party chooses to seek pursuant to this Section 8.4. In the absence of such relief, if the Receiving Party is legally compelled to disclose any Proprietary Information, then the Receiving Party shall exercise all commercially reasonable efforts to preserve the confidentiality of the Proprietary information, including cooperating with the Disclosing Party to obtain an appropriate order for protective relief or other reliable assurance that confidential treatment will be accorded the Proprietary Information.

8.5 Return of Proprietary Information

All Proprietary Information, other than Derivative Information, shall remain the property of the Disclosing Party, and all documents or other tangible media delivered to the Receiving Party that embody such Proprietary Information shall be, at the option of the Disclosing Party, either promptly returned to Disclosing Party or destroyed, except as otherwise may be required from time to time by Applicable Law (in which case the use and disclosure of such Proprietary Information will continue to be subject to this Agreement), upon the earlier of (i) the date on which

the Receiving Party's need for it has expired and (ii) the expiration or termination of this Agreement.

At the request of the Disclosing Party, any Derivative Information shall be, at the option of the Receiving Party, either promptly returned to the Disclosing Party or destroyed, except as otherwise may be required from time to time by Applicable Law (in which case the use and disclosure of such Derivative Information will continue to be subject to this Agreement), upon the earlier of (i.) the date on which the Receiving Party's need for it has expired and (ii.) the expiration or termination of this Agreement.

The Receiving Party may at any time either return the Proprietary Information to the Disclosing Party or destroy such Proprietary Information. If the Receiving Party elects to destroy Proprietary Information, all copies of such information shall be destroyed and upon the written request of the Disclosing Party, the Receiving Party shall provide to the Disclosing Party written certification of such destruction. The destruction or return of Proprietary information shall not relieve any Receiving Party of its obligation to continue to treat such Proprietary Information in the manner required by this Agreement.

- 8.6 Notwithstanding any other provision of this Agreement, the Proprietary Information provisions of this Agreement shall apply to all information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the date of this Agreement and each Party's obligation to safeguard Proprietary Information disclosed prior to expiration or termination of this Agreement will survive such expiration or termination.
- 8.7 Pursuant to Section 222(b) of the Act, both Parties agree to limit their use of Proprietary Information received from the other to the permitted purposes identified in the Act.
- 8.8 Each Party has the right to refuse to accept any Confidential Information under this Agreement, and nothing in this Section 8 shall obligate either Party to disclose to the other Party any particular information.
- 8.9 The Parties agree that an impending or existing violation of any provision of this Section 8 would cause the Disclosing Party irreparable injury for which it would have no adequate remedy at law, and agree that Disclosing Party shall be entitled to obtain immediate injunctive relief prohibiting such violation, in addition to any other rights and remedies available to it at law or in equity, including both specific performance and monetary damages. In the event of any breach of this Section 8

for which legal or equitable relief is sought, all reasonable attorney's fees and other reasonable costs associated therewith shall be recoverable by the prevailing Party.

9. LIABILITY AND INDEMNIFICATION

9.1 Limitation of Liabilities

Except for indemnity obligations expressly set forth herein or as otherwise expressly provided in specific appendices, each Party's liability to the other Party for any Loss relating to or arising out of such Party's performance under this Agreement, including any negligent act or omission (whether willful or inadvertent), whether in contract, tort or otherwise, including alleged breaches of this Agreement and causes of action alleged to arise from allegations that breach of this Agreement also constitute a violation of a statute, including the Act, shall not exceed in total the amount TDS TELECOM or US LEC has charged or would have charged to the other Party for the affected Interconnection, functions, facilities, products and service(s) that were not performed or were improperly performed.

Except for losses alleged or made by an end user of either Party, or except as otherwise provided in specific appendices, in the case of any loss alleged or made by a third party arising under the negligence or willful misconduct of both Parties, each Party shall bear, and its obligation under this section shall be limited to, that portion (as mutually agreed to by the Parties) of the resulting expense caused by its own negligence or willful misconduct or that of its agents, servants, contractors, or others acting in aid or concert with it.

9.2 NO CONSEQUENTIAL DAMAGES

NEITHER US LEC NOR TDS TELECOM WILL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL CONSEQUENTIAL, RELIANCE, OR SPECIAL DAMAGES SUFFERED BY SUCH OTHER PARTIES (INCLUDING WITHOUT LIMITATION DAMAGES FOR HARM TO BUSINESS, LOST REVENUES, LOST SAVINGS, OR LOST PROFITS SUFFERED BY SUCH OTHER PARTIES), REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, WARRANTY, STRICT LIABILITY, OR TORT, INCLUDING WITHOUT LIMITATION NEGLIGENCE OF ANY KIND WHETHER ACTIVE OR PASSIVE, AND REGARDLESS OF WHETHER THE PARTIES KNEW OF THE

POSSIBILITY THAT SUCH DAMAGES COULD RESULT. EACH PARTY HEREBY RELEASES THE OTHER PARTY (AND SUCH OTHER PARTY'S SUBSIDIARIES AND AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS FROM ANY SUCH CLAIM. NOTHING CONTAINED IN THIS SECTION WILL LIMIT TDS TELECOM'S OR US LEC'S LIABILITY TO THE OTHER FOR (i.) WILLFUL OR INTENTIONAL MISCONDUCT (INCLUDING GROSS NEGLIGENCE); (ii) BODILY INJURY, DEATH, OR DAMAGE TO TANGIBLE REAL OR TANGIBLE PERSONAL PROPERTY PROXIMATELY CAUSED BY TDS TELECOM'S OR US LEC'S NEGLIGENT ACT OR OMISSION OR THAT OF THEIR RESPECTIVE AGENTS, SUBCONTRACTORS OR EMPLOYEES, NOR WILL ANYTHING CONTAINED IN THIS SECTION LIMIT THE PARTIES INDEMNIFICATION OBLIGATIONS, AS SPECIFIED BELOW.

10. REMEDIES

Except as otherwise provided in this Agreement, no remedy set forth herein is intended to be exclusive and each and every remedy shall be cumulative and in addition to any other rights or remedies now or hereafter existing under Applicable Law or otherwise.

11. INTELLECTUAL PROPERTY

11.1 Any Intellectual Property originating from or developed by a Party shall remain in the exclusive ownership of that Party.

12. INDEMNITY

Except as otherwise expressly provided herein or in specific appendices, and to the extent not prohibited by Applicable Law and not otherwise controlled by tariff, each Party (the "Indemnifying Party") shall release, defend and indemnify the other Party (the "Indemnified Party") and hold such Indemnified Party harmless against any Loss to a Third Party arising out of the negligence or willful misconduct ("Fault") of such Indemnifying Party, its agents, its End Users, contractors, or others retained by such Parties, in connection with the Indemnifying Party's provision of Interconnection, functions, facilities, products and services under this Agreement; provided, however, that (i.) with respect to employees or agents of the Indemnifying Party, such Fault occurs while performing within the scope of their employment, (ii) with respect to subcontractors of the Indemnifying Party, such Fault occurs in the course of performing duties of the subcontractor under its subcontract, with the

Indemnifying Party, and (iii) with respect to the Fault of employees or agents of such subcontractor, such Fault occurs while performing within the scope of their employment by the subcontractor with respect to such duties of the subcontractor under the subcontract.

A Party (the "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party ("**Indemnified Party**") against any Claim or Loss arising from the Indemnifying Party's use of Interconnection, functions, facilities, products and services provided under this Agreement involving:

12.2.1 any Claim or Loss arising from such Indemnifying Party's use of Interconnection, functions, facilities, products and services offered under this Agreement, involving any Claim for libel, slander, invasion of privacy, or infringement of Intellectual Property rights arising from the Indemnifying Party's or its End User's use.

12.2.2 The foregoing includes any Claims or Losses arising from disclosure of any End User-specific information associated with either the originating or terminating numbers used to provision Interconnection, functions, facilities, products or services provided hereunder and all other Claims arising out of any act or omission of the End User in the course of using any Interconnection, functions, facilities, products or services provided pursuant to this Agreement.

12.2.3 The foregoing includes any Losses arising from Claims for actual or alleged infringement of any Intellectual Property right of a Third Party to the extent that such Loss arises from an Indemnifying Party's or an Indemnifying Party's End User's use of Interconnection, functions, facilities, products or services provided under this Agreement; provided, however, that an Indemnifying Party's obligation to defend and indemnify the Indemnified Party shall not apply:

12.2.3.1 where an Indemnified Party or its End User modifies Interconnection, functions, facilities, products or services; provided under this Agreement without authorization of the Indemnifying Party; and

12.2.3.2 no infringement would have occurred without such modification.

Consistent with and subject to the waiver of subrogation set forth under Section 26.6.2, US LEC shall reimburse TDS TELECOM for damages to TDS TELECOM's facilities utilized to provide Interconnection hereunder caused by the

negligence or willful act of US LEC, its agents or subcontractors or US LEC's End User or resulting from US LEC's improper use of TDS TELECOM's facilities, or due to malfunction of any facilities, functions, products, services or equipment provided by US LEC, its agents or subcontractors or US LEC's End User. Upon reimbursement for damages, TDS TELECOM will cooperate with US LEC in prosecuting a claim against the person causing such damage. US LEC shall be subrogated to the right of recovery by TDS TELECOM for the damages to the extent of such payment.

Consistent with and subject to the waiver of subrogation set forth under Section 26.6.2, TDS TELECOM shall reimburse US LEC for damages to US LEC's facilities utilized to provide or access Interconnection hereunder caused by the negligence or willful act of TDS TELECOM, its agents or subcontractors or End User or resulting from TDS TELECOM's improper use of US LEC's facilities, or due to malfunction of any facilities, functions, products, services or equipment provided by TDS TELECOM, its agents or subcontractors or TDS TELECOM's End User. Upon reimbursement for damages, US LEC will cooperate with TDS TELECOM in prosecuting a claim against the person causing such damage. TDS TELECOM shall be subrogated to the right of recovery by US LEC for the damages to the extent of such payment.

Obligation to Defend; Notice; Cooperation

12.5 Should a Claim arise for indemnification under this Section, the relevant Indemnified Party, as appropriate, will promptly notify the Indemnifying Party and request in writing the Indemnifying Party to defend the same. Failure to so notify the Indemnifying Party will not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such Claim. The Indemnifying Party will have the right to defend against such liability or assertion in which event the Indemnifying Party will give written notice to the Indemnified Party of acceptance of the defense of such Claim and the identity of counsel selected by the Indemnifying Party.

12.5.2 Until such time as Indemnifying Party provides written notice of acceptance of the defense of such claim, the Indemnified Party shall defend such claim, at the expense of the Indemnifying Party, subject to any right of the Indemnifying Party to seek reimbursement for the costs of such defense in the event that it is determined that Indemnifying Party had no obligation to indemnify the Indemnified Party for such claim.

12.5.3 Upon accepting the defense, the Indemnifying Party shall have exclusive right to control and conduct the defense and settlement of any such claims, subject to consultation with the Indemnified Party. So long as the Indemnifying Party is controlling and conducting the defense, the Indemnifying Party shall not be liable for any settlement by the Indemnified Party unless such Indemnifying Party has approved such settlement in advance and agrees to be bound by the agreement incorporating such settlement.

At any time, an Indemnified Party will have the right to refuse such compromise or settlement and, at the refusing Party's cost, to take over such defense, provided that in such event the Indemnifying Party will not be responsible for, nor will it be obligated to indemnify the refusing Party against any cost or liability in excess of such refused compromise or settlement.

In the event the Indemnifying Party does not accept the defense of any indemnified Claim as provided above, the Indemnified Party will have the right to employ counsel for such defense at the expense of the Indemnifying Party unless it is determined that Indemnifying Party had no obligation to indemnify the Indemnified Party for such claim.

Each Party agrees to cooperate and to cause its employees and agents to cooperate with the other Party in the defense of any such Claim and the relevant records of each Party shall be available to the other Party with respect to any such defense, subject to the restrictions and limitations set forth in Section 8.

13. OSHA STATEMENT

13.1 Each Party, in recognition of the other Party's status as an employer, agrees to abide by and to undertake the duty of compliance with all federal, state and local laws, safety and health regulations relating to the space which Party has assumed the duty to maintain pursuant to this Agreement, and to indemnify and hold the other Party harmless for any judgments, citations, fines, or other penalties which are assessed against the indemnified Party as the result of the indemnifying Party's failure to comply with any of the foregoing.

14. DEPOSITS

14.1 The Parties will, in order to safeguard their interests, only require the billed Party which has a proven history of late payments, defined as two consecutive late payments within a twelve (12) month period, or does not have established credit to make a deposit, prior to or at any time after the provision of service, to be held by the billing Party as a guarantee of the payment of rates and charges. No such

deposit will be required of the billed Party which is a successor of a company which has established credit and has no history of late payments to the billing Party. Such deposit may not exceed the actual or estimated rates and charges for the service for a two-month period. The fact that a deposit has been made in no way relieves the billed Party from complying with the billing Party's regulations as to the prompt payment of bills. At such time as the provision of the service to the billed Party is terminated, the amount of the deposit will be credited to the billed Party's account and any credit balance which may remain will be refunded.

Such a deposit will be refunded or credited to the billed Party's account when the billed Party has established credit or, in any event, after the billed Party has established a one-year prompt payment record at any time prior to the termination of the provision of the service to the billed Party. In the case of a cash deposit, for the period the deposit is held by the billing Party, the billed Party will receive simple interest at the rate of $\frac{1}{2}$ % per month (.000165 per day) or 6% annually. The rate will be calculated from the date the billed Party's deposit is received by the billing Party up to and including the date such deposit is credited to the billed Party's account or the date the deposit is refunded by the billing Party. Should a deposit be credited to the billed Party's account, as indicated above, no interest will accrue on the deposit from the date such deposit is credited to the customer's account.

15. BILLING AND PAYMENT OF RATES AND CHARGES

15.1 Unless otherwise stated, each Party will render monthly bill(s) to the other for Interconnection, functions, facilities, products and services provided hereunder at the rates set forth in the applicable Appendix Pricing, as set forth in applicable tariffs or other documents specifically referenced herein and, as applicable, as agreed upon by the Parties or authorized by a Party.

15.1.1 Payment in full of all undisputed charges billed by TDS TELECOM is due within thirty (30) calendar days of each bill date (the "**Bill Due Date**").

15.1.2 Payment in full of all undisputed charges billed by US LEC is due within thirty (30) calendar days of each bill date (the "**Bill Due Date**").

15.1.3 If either Party fails to remit payment for any undisputed charges for services by the Bill Due Date, or if a payment or any portion of a payment is received after the Bill Due Date, or if a payment or any portion of a payment is received in funds which are not immediately available as of the Bill Due Date (individually and collectively, "**Past Due**"), then a late payment charge shall be assessed as provided in Sections 15.1.3.1 as applicable.

15.1.3.1 If any charge incurred under this Agreement is Past Due, the unpaid amounts shall accrue interest from the Bill Due Date at the lesser of (i) one and one-half percent (1 ½%) per month and (ii) the highest rate of interest that may be charged under Applicable Law, to and including the date that the payment is actually made and available.

If any portion of an amount due to a Party (the “**Billing Party**”) under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the “**Non-Paying Party**”) shall give written notice to the Billing Party of the amounts it disputes (“**Disputed Amounts**”) and include in such written notice the specific details and reasons for disputing each item listed in Section 16.3.1.4. The Non-Paying Party shall pay when due all undisputed amounts to the Billing Party.

Issues related to Disputed Amounts shall be resolved in accordance with the procedures identified in the Dispute Resolution provisions set forth in Section 16.

If the Non-Paying Party disputes any charges and any portion of the dispute is resolved in favor of such Non-Paying Party, the Parties shall cooperate to ensure that all of the following actions are taken:

15.4.1 the Billing Party shall credit the invoice of the Non-Paying Party for that portion of the Disputed Amounts resolved in favor of the Non-Paying Party, together with any Late Payment Charges assessed with respect thereto no later than the second Bill Due Date after the resolution of the Dispute; and

15.4.2 no later than the third Bill Due Date after the resolution of the dispute regarding the Disputed Amounts, the Non-Paying Party shall pay the Billing Party for that portion of the Disputed Amounts resolved in favor of the Billing Party, together with any Late Payment Charges such Billing Party is entitled to receive pursuant to this Section.

Failure by the Non-Paying Party to pay any charges determined by final non-appealable order resulting from the dispute resolution process to be owed to the Billing Party within the time specified in the order or if no time is specified, then within the time set forth in Section 15.4.2 shall be grounds for termination of this Agreement.

If either Party request one or more additional copies of a bill, the requesting Party will pay the Billing Party a reasonable fee for each additional copy, unless such

copy was requested due to failure in delivery of the original bill or correction(s) to the original bill.

16. DISPUTE RESOLUTION

Finality of Disputes

16. 1 Except as otherwise specifically provided in this Agreement, no claims will be brought for disputes arising from this Agreement more than twenty-four (24) months from the date the occurrence which gives rise to the dispute is discovered or reasonably should have been discovered with the exercise of due care and attention.

16.1.2 The Parties desire to resolve disputes arising out of this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this Dispute Resolution process, the Parties agree to use the following Dispute Resolution procedure with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

Commencing Dispute Resolution

16.2.1 Dispute Resolution shall commence upon one Party's receipt of written notice of a controversy or claim arising out of or relating to this Agreement or its breach. No Party may pursue any claim unless such written notice has first been given to the other Party. There are three (3) separate Dispute Resolution methods each of which is described below:

16.2.1.1 Service Center;

16.2.1.2 Informal Dispute Resolution; and

16.2.1.3 Formal Dispute Resolution.

Service Center Dispute Resolution

16.3. The following Dispute Resolution procedures will apply with respect to any billing dispute arising out of or relating to the Agreement.

16.3.1.1 If the written notice given pursuant to Section 15.2 discloses that a dispute relates to billing, then the procedures set forth in this Section 16.3.1 shall be used and the dispute shall first

be referred to the appropriate service center for resolution. In order to resolve a billing dispute, one Party shall furnish the other Party written notice of (i) the date of the bill in question, (ii) BAN number of the bill in question, (iii) telephone number, circuit ID number or trunk number in question, (iv) any USOC information relating to the item questioned, (v) amount billed and (vi) amount in question and (vii) the reason that the Party disputes the billed amount.

16.3.1.2 The Parties shall attempt to resolve Disputed Amounts appearing on current billing statements thirty (30) to sixty (60) calendar days from the Bill Due Date (provided the disputing Party furnishes all requisite information and evidence under Section 16.3.1.1 by the Bill Due Date). If not resolved within thirty (30) calendar days, upon request, the Parties will notify each other of the status of the dispute and the expected resolution date.

16.3.1.3 The Parties shall attempt to resolve Disputed Amounts appearing on statements prior to the current billing statement within thirty (30) to ninety (90) calendar days, but resolution may take longer depending on the complexity of the dispute. Either Party may initiate Informal Resolution of Disputes identified in Section 16.4 prior to initiating Formal Resolution of Disputes identified in Section 16.5 if the Parties are unable to resolve the Disputed Amounts.

16.4 Informal Resolution of Disputes

16.4.1 Upon receipt by one Party of notice of a dispute by the other Party pursuant to Section 16.2 or Section 16.3, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising under this Agreement. The location, form, frequency, duration, and conclusion of these discussions will be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative Dispute Resolution procedures such as mediation to assist in the negotiations. Discussions and the correspondence among the representatives for purposes of settlement are exempt from discovery and production and will not be admissible in the arbitration described below or in any lawsuit without the concurrence of both Parties. Documents identified in or provided with such communications that were not prepared for purposes of the negotiations are not so exempted, and, if otherwise admissible, may be admitted in evidence in the arbitration or lawsuit.

Formal Resolution of Disputes

- 16.5.1 Except as otherwise specifically set forth in this Agreement, for all disputes arising out of or pertaining to this Agreement, including but not limited to matters not specifically addressed elsewhere in this Agreement which require clarification, re-negotiation, modifications or additions to this Agreement, either Party may invoke dispute resolution procedures available pursuant to the dispute resolution rules, as amended from time to time, of the Commission. Also, upon mutual agreement, the Parties may seek commercial binding arbitration as specified in Section 16.6.1.
- 16.5.2 The Parties agree that the Dispute Resolution procedures set forth in this Agreement are not intended to conflict with applicable requirements of the Act or the Commission with regard to procedures for the resolution of disputes arising out of this Agreement.

Arbitration

- 16.6.1 When both Parties agree to binding arbitration, disputes will be submitted to a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association or pursuant to such other provider of arbitration services or rules as the Parties may agree. The arbitrator shall be a person knowledgeable in the area of telecommunications. The place where each separate arbitration will be held will be Nashville, Tennessee, unless the Parties agree otherwise. The arbitration hearing will be requested to commence within 60 days of the demand for arbitration. The arbitrator will control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs upon a schedule determined by the arbitrator. The Parties will request that the arbitrator rule on the dispute by issuing a written opinion within 30 days after the close of hearings. The arbitrator has no authority to order punitive or consequential damages. The times specified in this Section may be extended or shortened upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Each Party will bear its own costs of these procedures. The Parties will equally split the fees of the arbitration and the arbitrator. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

17. TERMINATION OF SERVICE TO US LEC

- 17.1 Unless otherwise specified therein, Sections 17.1, 17.2, 17.3, and 17.4 shall apply to all charges billed for all products and services furnished under this Agreement.

Failure of US LEC to pay charges or, by the due date, provide reasonably specific notice of any disputed charges, (Unpaid Charges), may be grounds for disconnection of Interconnection, functions, facilities, products and services furnished under this Agreement. If US LEC fails to pay by the Bill Due Date, any and all undisputed charges billed to them under this Agreement, including any Late Payment Charges as provided for in Section 15.1.3 or miscellaneous charges (“Unpaid Charges”), and any portion of such Unpaid Charges remain unpaid after the Bill Due Date, the Billing Party shall notify the Non-Paying Party in writing that in order to avoid disruption or disconnection of the applicable Interconnection, functions, facilities, products and services furnished under this Agreement, the Non-Paying Party must remit all undisputed Unpaid Charges to the Billing Party.

- 17.3 Disputes hereunder will be resolved in accordance with the Dispute Resolution Procedures set out in Section 16 of this Agreement.
- 17.4 If any US LEC undisputed charges remain unpaid at the conclusion of the time period as set forth in Section 15.1.1 above (30 calendar days from the due date of such unpaid charges), TDS TELECOM will notify US LEC and the appropriate commission(s) in writing, that unless all charges are paid within thirty (30) calendar days, all services rendered to US LEC by TDS TELECOM may be disconnected.

In the event TDS TELECOM discontinues service to US LEC upon failure to pay undisputed charges only as provided in this section, TDS TELECOM will have no liability to US LEC in the event of such disconnection.

After disconnect procedures have begun, TDS TELECOM will not accept service orders from US LEC until all unpaid, undisputed charges are paid. TDS TELECOM will have the right to require a deposit equal to one month’s charges (based on the highest previous month of service from TDS TELECOM) prior to resuming service to US LEC after disconnect for nonpayment.

Beyond the specifically set out limitations in this section, nothing herein will be interpreted to obligate TDS TELECOM to continue to provide service to any such end users or to limit any and all disconnection rights TDS TELECOM may have with regard to such end users.

If US LEC desires to dispute any portion of the Unpaid Charges, US LEC shall take all of the following actions not later than fourteen (14) calendar days following receipt of notice of Unpaid Charges:

17.8.1 US LEC shall notify TDS TELECOM in writing which portion(s) of the Unpaid Charges US LEC disputes, including the total amount disputed (“**Disputed Amounts**”) and the specific details listed in Section 16.3.1 of this Agreement, together with the reasons for its dispute; and

7.8.2 US LEC shall immediately pay all undisputed Unpaid Charges.

18. NOTICES

In the event any notices are required to be sent under the terms of this Agreement, they may be sent by mail and are deemed to have been given on the date received. Notice may also be effected by personal delivery or by overnight courier, and will be effective upon receipt. Notice may also be provided by facsimile, which will be effective on the next business day following the date of transmission; provided, however, notices to a Party's 24-hour maintenance contact number will be by telephone and/or facsimile and will be deemed to have been received on the date transmitted. The Parties will provide the appropriate telephone and facsimile numbers to each other. Unless otherwise specifically provided in this Agreement, notice will be directed as follows:

If to US LEC:

Vice President, Regulatory and Industry Affairs
US LEC
6801 Morrison Blvd.
Charlotte, NC 28211
Fax: (704) 602-1074

With a copy to:

General Counsel
US LEC
6801 Morrison Blvd.
Charlotte, NC 28211
Fax: (704) 602-3115

If to TDS TELECOM:

TDS TELECOM
ATTN: Carrier Relations
9737 Cogdill Road, Suite 230
Knoxville, TN 37932

Fax: (865)966-4720

Either Party may unilaterally change its designated representative and/or address, telephone contact number or facsimile number for the receipt of notices by giving written notice to the other Party in compliance with this Section. Any notice to change the designated contact, address, telephone and/or facsimile number for receipt of notices will be deemed effective ten (10) calendar days following receipt by the other Party.

19. TAXES

With respect to any purchase of service under this Agreement, if any Federal, state or local government tax, fee, surcharge, or other tax-like charge (a "Tax") is required or permitted by applicable law, ordinance or tariff to be collected from a purchasing Party by the providing Party, then (i) the providing Party will bill, as a separately stated item, the purchasing Party for such Tax, (ii) the purchasing Party will timely remit such Tax to the providing Party, and (iii) the providing Party will remit such collected Tax to the applicable taxing authority.

If the providing Party does not collect a Tax because the purchasing Party asserts that it is not responsible for the tax, or is otherwise excepted from the obligation which is later determined by formal action to be wrong then, as between the providing Party and the purchasing Party, the purchasing Party will be liable for such uncollected Tax and any interest due and/or penalty assessed on the uncollected Tax by the applicable taxing authority or governmental entity.

If either Party is audited by a taxing authority or other governmental entity the other Party agrees to reasonably cooperate with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.

If applicable law excludes or exempts a purchase of services under this Agreement from a Tax, and if such applicable law also provides an exemption procedure, such as an exemption certificate requirement, then, if the purchasing Party complies with such procedure, the providing Party, subject to Section 19.2, will not collect such Tax during the effective period of the exemption. Such exemption will be effective upon receipt of the exemption certificate or affidavit in accordance with Section 19.6.

If applicable law excludes or exempts a purchase of services under this Agreement from a Tax, but does not also provide an exemption procedure, then the providing Party will not collect such Tax if the purchasing Party (i) furnishes the providing Party with a letter signed by an officer of the purchasing Party

claiming an exemption and identifying the applicable law which allows such exemption, and (ii) supplies the providing Party with an indemnification agreement, reasonably acceptable to the providing Party, which holds the providing Party harmless on an after-tax basis with respect to forbearing to collect such Tax.

To the extent a sale is claimed to be for resale and thus subject to tax exemption, the purchasing Party shall furnish the providing Party a proper resale tax exemption certificate as authorized or required by statute or regulation of the jurisdiction providing said resale tax exemption. Failure to timely provide said resale tax exemption certificate will result in no exemption being available to the purchasing Party for any period prior to the date that the purchasing Party presents a valid certificate. If Applicable Law excludes or exempts a purchase of Interconnection, functions, facilities, products and services under this Agreement from a Tax, but does not also provide an exemption procedure, then the providing Party will not collect such Tax if the purchasing Party (a) furnishes the providing Party with a letter signed by an officer of the purchasing Party claiming an exemption and identifying the Applicable Law that both allows such exemption and does not require an exemption certificate; and (b) supplies the providing Party with an indemnification agreement, reasonably acceptable to the providing Party, which holds the providing Party harmless from any tax, interest, penalties, loss, cost or expense with respect to forbearing to collect such Tax.

With respect to any Tax or Tax controversy covered by this Section 19, the purchasing Party is entitled to contest with the imposing jurisdiction, pursuant to Applicable Law and at its own expense, any Tax that it is ultimately obligated to pay or collect. The purchasing Party will ensure that no lien is attached to any asset of the providing Party as a result of any contest. The purchasing Party shall be entitled to the benefit of any refund or recovery of amounts that it had previously paid resulting from such a contest. Amounts previously paid by the providing Party shall be refunded to the providing Party. The providing Party will cooperate in any such contest.

- 19.8 All notices, affidavits, exemption certificates or other communications required or permitted to be given by either Party to the other under this Section shall be sent in accordance with Section 18 hereof.

20. FORCE MAJEURE

- 20.1 Except as otherwise specifically provided in this Agreement, neither Party will be liable for any delay or failure in performance of any part of this Agreement caused by a Force Majeure condition, including acts of the United States of America or any state, territory, or political subdivision thereof, acts of God or a public enemy,

fires, floods, labor disputes such as strikes and lockouts, freight embargoes, earthquakes, volcanic actions, wars, civil disturbances, cable cuts, or other causes beyond the reasonable control of the Party claiming excusable delay or other failure to perform. Provided, Force Majeure will not include acts of any Governmental Authority relating to environmental, health, or safety conditions at work locations. If any Force Majeure condition occurs the Party whose performance fails or is delayed because of such Force Majeure conditions will give prompt notice to the other Party, and upon cessation of such Force Majeure condition, will give like notice and commence performance hereunder as promptly as reasonably practicable.

21. PUBLICITY

21.1 The Parties agree not to use in any advertising or sales promotion, press releases or other publicity matters, any endorsements, direct or indirect quotes or pictures implying endorsement by the other Party or any of its employees without such Party's prior written approval. The Parties will submit to each other for written approval, prior to publication, all such publicity endorsement matters that mention or display the other's name and/or marks or contain language from which a connection to said name and/or marks may be inferred or implied; the Party to whom a request is directed shall respond promptly. Nothing herein, however, shall be construed as preventing either Party from publicly stating the fact that it has executed this Agreement with the other Party. This does not prohibit the use of valid comparison advertising.

Nothing in this Agreement shall grant, suggest, or imply any authority for either Party to use the name, trademarks, service marks, trade names, brand names, logos, proprietary trade dress or trade names, insignia, symbols or decorative designs of the other Party or its affiliates without the other Party's prior written authorization.

22. NETWORK MAINTENANCE AND MANAGEMENT

22.1 The Parties will work cooperatively to implement this Agreement. The Parties will exchange appropriate information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the federal and state governments, etc.) to achieve this desired result.

Each Party will provide a 24-hour contact number for Network Traffic Management issues to the other's surveillance management center. Each Party will administer its network to ensure acceptable service levels to all users of its network services. Service levels are generally considered acceptable only when

End Users are able to establish connections with little or no delay encountered in the network. A facsimile (FAX) number must also be provided to facilitate event notifications for planned mass calling events. Each Party will maintain the right to implement protective network traffic management controls such as "cancel to" or "call gapping" or 7-digit and 10-digit code gaps, to selectively cancel the completion of traffic over its network, including traffic destined for the other Party's network, when required to protect the public-switched network from congestion as a result of occurrences such as facility failures, switch congestion or failure or focused overload. Each Party shall immediately notify the other Party of any protective control action planned or executed.

Where the capability exists, originating or terminating traffic reroutes may be implemented by either Party to temporarily relieve network congestion due to facility failures or abnormal calling patterns. Reroutes shall not be used to circumvent normal trunk servicing. Expansive controls shall be used only when mutually agreed to by the Parties.

The Parties shall cooperate and share pre-planning information regarding cross-network call-ins expected to generate large or focused temporary increases in call volumes to prevent or mitigate the impact of these events on the public-switched network, including any disruption or loss of service to the other Party's End Users.

In the event of interference or impairment of the quality of service between services or facilities of US LEC and TDS TELECOM the Parties agree to the following:

22.5.1 The Party that first becomes aware of the interference will provide notice to the other Party as soon as possible.

22.5.2 The Parties will work cooperatively to determine the source of the interference and to implement mutually agreeable solutions that provide for the minimum negative impact to either Party's products and services. However, US LEC acknowledges that multiple carriers connect to TDS TELECOM's network and in some instances the solution that minimizes the impact to the greatest number of carriers and end users may require that a facility, product, or service of US LEC be temporarily disconnected until the interference can be corrected.

22.5.3 If the Parties are unable to agree upon a solution, either Party may invoke the dispute resolution provisions of the Agreement, provided that a Party may apply for injunctive relief immediately if such is required to prevent irreparable harm.

23. LAW ENFORCEMENT AND CIVIL PROCESS

23.1 TDS TELECOM and US LEC shall reasonably cooperate with the other Party in handling law enforcement requests as follows:

23.1.1 Intercept Devices

Local and federal law enforcement agencies periodically request information or assistance from local telephone service providers. When either Party receives a request associated with a customer of the other Party, the receiving Party will refer such request to the appropriate Party, unless the request directs the receiving Party to attach a pen register, trap-and-trace or form of intercept on the Party's own facilities, in which case that Party will comply with any valid request, to the extent the receiving Party is able to do so; if such compliance requires the assistance of the other Party such assistance will be provided.

23.1.2 Subpoenas

If a Party receives a subpoena for information concerning an end user the Party knows to be an end user of the other Party, the receiving Party will refer the subpoena to the requesting entity with an indication that the other Party is the responsible company. Provided, however, if the subpoena requests records for a period of time during which the receiving Party was the end user's service provider, the receiving Party will respond to any valid request to the extent the receiving Party is able to do so; if response requires the assistance of the other Party such assistance will be provided.

23.1.3 Law Enforcement Emergencies

If a Party receives a request from a law enforcement agency to implement at its switch a temporary number change, temporary disconnect, or one-way denial of outbound calls for an end user of the other Party, the receiving Party will comply so long as it is a valid emergency request. Neither Party will be held liable for any claims or damages arising from compliance with such requests, and the Party serving the end user agrees to indemnify and hold the other Party harmless against any and all such claims.

24. CHANGES IN SUBSCRIBER CARRIER SELECTION

Each Party shall abide by all applicable federal and state laws and regulations prior to executing changes to an End User's selection of Local Exchange Carrier. Each Party shall deliver to the other Party a representation of authorization that applies to all orders submitted by a Party under this Agreement requiring a LEC change. A Party's representation of authorization shall be delivered to the other Party prior to the first order submitted to the other Party. Each Party shall retain on file all applicable letters and other documentation of authorization relating to its End User's selection of such Party as its LEC, which documentation shall be available for inspection by the other Party at its request during normal business hours and at no charge.

25. AMENDMENTS OR WAIVERS

25.1 Except as otherwise provided in this Agreement, no amendment or waiver of any provision of this Agreement and no consent to any default under this Agreement will be effective unless the same is in writing and signed by an officer of the Party against whom such amendment, waiver or consent is claimed. In addition, no course of dealing or failure of a Party strictly to enforce any term, right or condition of this Agreement will be construed as a waiver of such term, right, or condition. Waiver by either Party of any default by the other Party shall not be deemed a waiver of any other default. Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege. By entering into this Agreement, the Parties do not waive any right granted to them pursuant to the Act; however, the Parties enter into this Agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory or other public forum addressing any matters, including matters related to the types of arrangements prescribed by this Agreement.

26. GENERAL RESPONSIBILITIES OF THE PARTIES

26.1 TDS TELECOM and US LEC shall each use their best efforts to meet the Interconnection Activation Dates.

Each Party is individually responsible to provide facilities within its network that are necessary for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering such traffic to the other Party's network in the standard format and to terminate the traffic it receives in that standard format to the proper address on its network. The Parties are each solely responsible for participation in and compliance with national network plans, including the National Network Security Plan and the Emergency Preparedness Plan.

The Parties shall exchange technical descriptions and forecasts of their Interconnection and traffic requirements in sufficient detail necessary to establish the facilities required to assure traffic completion to and from all End Users in their respective designated service areas.

Each Party is solely responsible for all products and services it provides to its End Users and to other Telecommunications Carriers.

Facilities-based carriers are responsible for administering their End User records in a LIDB.

At all times during the term of this Agreement, each Party shall keep and maintain in force at its own expense the following minimum insurance coverage and limits and any additional insurance and/or bonds required by Applicable Law:

- 26.6.1 Workers' Compensation insurance with benefits afforded under the laws of each state covered by this Agreement and Employers Liability insurance with minimum limits of \$500,000 or the statutory limit, whichever is greater, for Bodily Injury-each accident, for Bodily Injury by disease-policy limits and for Bodily Injury by disease-each employee.
- 26.6.2 Commercial General Liability insurance with minimum limits of: \$2,000,000 General Aggregate limit; \$1,000,000 each occurrence sub-limit for all bodily injury or property damage incurred in any one occurrence; \$1,000,000 each occurrence sub-limit for Personal Injury and Advertising; \$2,000,000 Products/Completed Operations Aggregate limit, with a \$1,000,000 each occurrence sub-limit for Products/Completed Operations. Fire Legal Liability sub-limits of \$2,000,000 aggregate, \$1,000,000 per occurrence are also required if this Agreement involves collocation. The other Party must be named as an Additional Insured on the Commercial General Liability policy. Each Party agrees to waive its respective rights of subrogation in favor of the other Party on the Commercial General Liability policy.
- 26.6.3 If use of an automobile is required, Automobile Liability insurance with minimum limits of \$1,000,000 combined single limits per occurrence for bodily injury and property damage, which coverage shall extend to all owned, hired and non-owned vehicles.
- 26.6.4 Each Party shall require subcontractors providing services under this Agreement to maintain in force the insurance coverage and limits required in Sections 26.6 through 26.6.3 of this Agreement provided that a Party may, with consent of the other Party, utilize a subcontractor with different

limits of insurance if appropriate to the scope of work to be performed, consent not to be unreasonably withheld.

26.6.5 The Parties agree that companies affording the insurance coverage required under Section 26.6 shall have a rating of B+ or better and a Financial Size Category rating of VII or better, as rated in the A.M. Best Key Rating Guide for Property and Casualty Insurance Companies. Upon request from the other Party, each Party shall provide to the other Party evidence of such insurance coverage.

26.6.6 Each Party agrees to provide the other Party with at least thirty (30) calendar days advance written notice of cancellation, material reduction or non-renewal of any of the insurance policies required herein.

26.6.7 This Section 26.6 is a general statement of insurance requirements and shall be in addition to any specific requirement of insurance referenced elsewhere in this Agreement or a Referenced Instrument.

Upon the Parties' signature of this Agreement, the Parties shall exchange state-specific authorized and nationally recognized OCN/AECNs for facilities-based Interconnection for the state(s) covered by this Agreement.

In the event that either Party makes any corporate name change (including addition or deletion of a d/b/a), change in OCN/AECN for the states covered by this Agreement, or makes or accepts a transfer or assignment of interconnection trunks or facilities (including leased facilities), or a change in any other Party identifier (collectively, a "**Party Change**"), the changing Party shall submit written notice to the other Party within thirty (30) calendar days of the first action taken to implement such Party Change. Within thirty (30) calendar days following receipt of that notice, the Parties shall negotiate rates to compensate the non-changed Party for the costs incurred to make the change to the applicable non-changed Party's databases, systems, records and/or recording announcement(s). In addition, the Party requesting the change shall compensate the other Party for any service order charges and/or service request charges associated with such Party Change. The Party's agreement to implement a Party Change is conditioned upon the requesting Party's agreement to pay all reasonable charges billed for such a Party Change.

When an End User changes its service provider from TDS TELECOM to US LEC or from US LEC to TDS TELECOM and does not retain its original telephone number, the Party formerly providing service to such End User shall furnish a referral announcement ("**Referral Announcement**") on the original telephone number that specifies the End User's new telephone number.

26.9.1 Referral Announcements shall be provided by a Party to the other Party for the period of time and at the rates set forth in the referring Party's tariff(s); provided, however, if either Party provides Referral Announcements for a period different (either shorter or longer) than the period(s) stated in its tariff(s) when its End Users change their telephone numbers, such Party shall provide the same level of service to End Users of the other Party.

26.10 Each Party shall be responsible for labor relations with its own employees. Each Party agrees to notify the other Party as soon as practicable whenever such Party has knowledge that a labor dispute concerning its employees is delaying or threatens to delay such Party's timely performance of its obligations under this Agreement and shall endeavor to minimize impairment of service to the other Party.

27. AUTHORITY

27.1 Each person whose signature appears below represents and warrants that he or she has authority to bind the Party on whose behalf he or she has executed this Agreement.

Concord Telephone Exchange, Inc., Humphreys County Telephone Company, Tellico Telephone Company, Inc., and Tennessee Telephone Company (collectively "TDS TELECOM"), for which this Agreement is executed represent and warrant that each is a corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee.

US LEC represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. US LEC represents and warrants that it has been certified as a LEC by the Commission prior to submitting any orders hereunder and is or will be authorized to provide the Telecommunications Services contemplated hereunder in the territory contemplated hereunder prior to submission of orders for such Service.

28. BINDING EFFECT

28.1 This Agreement will be binding on and inure to the benefit of the respective successors and permitted assigns of the Parties.

29. CONSENT

Where consent, approval, or mutual agreement is required of a Party, it will not be unreasonably withheld or delayed.

30. EXPENSES

Except as specifically set out in this Agreement, each Party will be solely responsible for its own expenses involved in all activities related to the subject of this Agreement.

TDS TELECOM and US LEC shall each be responsible for one-half (1/2) of expenses payable to a Third Party for Commission fees or other charges (including regulatory fees and any costs of notice or publication, but not including attorney's fees) associated with the filing of this agreement.

31. HEADINGS

31.1 The headings and number of Sections, Parts, Appendices, Schedules and Exhibits to this Agreement are inserted for convenience and identification only and will not be considered to define or limit any of the terms herein or affect the meaning or interpretation of this Agreement.

32. RELATIONSHIP OF PARTIES/INDEPENDANT CONTRACTOR

32.1 Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of its employees assisting in the performance of such obligations. Each Party and each Party's contractor(s) shall be solely responsible for all matters relating to payment of such employees, including the withholding or payment of all applicable federal, state and local income taxes, social security taxes and other payroll taxes with respect to its employees, as well as any taxes, contributions or other obligations imposed by applicable state unemployment or workers' compensation acts and all other regulations governing such matters. Each Party has sole authority and responsibility to hire, fire and otherwise control its employees.

Nothing contained herein shall constitute the Parties as joint venturers, partners, employees or agents of one another, and neither Party shall have the right or power to bind or obligate the other. Nothing herein will be construed as making either Party responsible or liable for the obligations and undertakings of the other Party. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or

authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

MULTIPLE COUNTERPARTS

- 33.1 This Agreement may be executed in multiple counterparts, each of which will be deemed an original but all of which will together constitute but one, and the same document.

THIRD PARTY BENEFICIARIES

- 34.1 This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein expressed or implied shall create or be construed to create any Third Party beneficiary rights hereunder. This Agreement shall not provide and will not be construed to provide any Person not a party hereto with any remedy, claim, liability, reimbursement, cause of action, or other right in excess of those existing without reference hereto.

REGULATORY APPROVAL

- 35.1 The Parties understand and agree that this Agreement and any amendment or modification hereto will be filed with the Commission for approval in accordance with Section 252 of the Act and may thereafter be filed with the FCC. Each Party covenants and agrees to fully support approval of this Agreement by the Commission or the FCC under Section 252 of the Act without modification.

REGULATORY AUTHORITY

- 36.1 TDS TELECOM will be responsible for obtaining and keeping in effect all Federal Communications Commission, state regulatory commission, franchise authority and other regulatory approvals that may be required in connection with the performance of its obligations under this Agreement. US LEC will be responsible for obtaining and keeping in effect all Federal Communications Commission, state regulatory commission, franchise authority and other regulatory approvals that may be required in connection with its offering of services to US LEC Customers contemplated by this Agreement. US LEC will reasonably cooperate with TDS TELECOM in obtaining and maintaining any required approvals for which TDS TELECOM is responsible, and TDS

TELECOM will reasonably cooperate with US LEC in obtaining and maintaining any required approvals for which US LEC is responsible.

COMPLIANCE AND CERTIFICATION

- 37.1 Each Party shall comply at its own expense with all Applicable Laws that relate to that Party's obligations to the other Party under this Agreement. Nothing in this Agreement shall be construed as requiring or permitting either Party to contravene any mandatory requirement of Applicable Law.
- 37.2 Each Party warrants that it has obtained all necessary state certification prior to ordering any Interconnection, functions, facilities, products and services from the other Party pursuant to this Agreement. Upon request, each Party shall provide proof of certification.
- 37.3 Each Party shall be responsible for obtaining and keeping in effect all approvals from, and rights granted by, Governmental Authorities, building and property owners, other carriers, and any other Third Parties that may be required in connection with the performance of its obligations under this Agreement.

AUDITS

- 38 Each Party shall keep adequate records of usage for a minimum of twenty-four (24) months and provide the other Party with reasonable access to such information as is necessary to determine amounts receivable or payable under this Agreement. Either Party may request an audit of usage data on no less than thirty (30) business days' written notice. Any such audit shall be accomplished during normal business hours at the office of the Party being audited.
- 38.2 The audit will consist of an examination and verification of data involving billing records and other information related to the services performed by either Party as related to settlement charges or payments made in connection with this Agreement as determined by either Party to be reasonably required.
- 38.3 Adjustments, credits, or payments shall be made and any corrective action shall commence within thirty (30) days from the Requesting Party's receipt of the final audit report to compensate for any errors or omissions which are disclosed by such audit and are agreed to by the Parties. Audit findings may be applied retroactively for no more than twenty-four (24) months from the date the audit began. Interest shall not exceed the lower of one-half (½%) per month or the highest interest rate allowable by law for commercial transactions and shall be assessed and computed by compounding daily from the time of the overcharge.

Any disputes concerning audit results will be resolved pursuant to the Dispute Resolution procedures described in § 16 of this Agreement.

Each Party will cooperate fully in any such audit, providing reasonable access to any and all appropriate employees and billing records and other documents reasonably necessary to assess the accuracy of the Party's bills. Audits will be limited in frequency to once per twelve (12) month period.

For purposes of conducting an audit pursuant to this Agreement, the Parties may utilize their own internal auditors or employ other persons or firms for this purpose (so long as said Parties are bound by the confidentiality provisions contained in this Agreement). The Parties will bear their own reasonable expenses associated with the audit.

Information obtained or received by either Party in conducting the audit described in § 38 shall be subject to the confidentiality provisions of § 8 of this Agreement, whether or not marked as confidential.

39. COMPLETE TERMS

The terms contained in this Agreement and any Appendices, Attachments, Exhibits, Schedules, and Addenda constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written.

40. COOPERATION ON PREVENTING END USER FRAUD

40.1 Neither Party shall be liable for any fraud associated with the other Party's End User's account, including 1+ IntraLATA toll, ported numbers, and Alternate Billing Service (ABS). ABS is a service that allows End Users to bill calls to account(s) that might not be associated with the originating line. There are three types of ABS calls: calling card, collect, and third number billed calls.

The Parties agree to cooperate with one another to investigate, minimize, and take corrective action in cases of fraud. The Parties' fraud minimization procedures are to be cost-effective and implemented so as not to unduly burden or harm one Party as compared to the other.

In cases of suspected fraudulent activity by an End User, at a minimum, the cooperation referenced above will include providing to the other Party, upon request, information concerning end users who terminate services to that Party without paying all outstanding charges. The Party seeking such information is responsible for securing the end user's permission to obtain such information.

41. NOTICE OF NETWORK CHANGES

41.1 Nothing in this Agreement shall limit either Party's ability to upgrade its network through the incorporation of new equipment, new software or otherwise. Each Party agrees to provide reasonable notice of changes in the information necessary for the transmission and routing of services using facilities or networks, as well as other changes that affect the interoperability of those respective facilities and networks.

42. GOOD FAITH PERFORMANCE

42.1 In the performance of their obligations under this Agreement the Parties will act in good faith and consistently with the intent of the Act. Where notice, approval or similar action by a Party is permitted or required by any provision of this Agreement, (including, without limitation, the obligation of the Parties to further negotiate the resolution of new or open issues under this Agreement) such action will not be unreasonably delayed, withheld or conditioned.

43. GOVERNMENTAL COMPLIANCE

43.1 US LEC and TDS TELECOM each will comply at its own expense with all applicable law related to (i) its obligations under or activities in connection with this Agreement; of (ii) its activities undertaken at, in connection with or relating to work locations. US LEC and TDS TELECOM each agree to indemnify, defend, (at the other Party's request) and save harmless the other, each of its officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties, and expenses (including reasonable attorneys' fees) that arise out of or result from its failure or the failure of its contractors or agents to so comply. Except as expressly specified in this Agreement, TDS TELECOM, at its own expense, will be solely responsible for obtaining from governmental authorities, building owners, other carriers, and any other persons or entities, all rights and privileges (including, but not limited to, space and power), which are necessary for TDS TELECOM to provide services pursuant to this Agreement.

44. SUBCONTRACTING

44.1 If any obligation is performed through a subcontractor, each Party will remain fully responsible for the performance of this Agreement in accordance with its terms, including any obligations either Party performs through subcontractors, and each Party will be solely responsible for payments due the Party's subcontractors.

No subcontractor will be deemed a third party beneficiary for any purposes under this Agreement. Any subcontractor who gains access to CPNI or Confidential Information covered by this Agreement will be required by the subcontracting Party to protect such CPNI or Confidential Information to the same extent the subcontracting Party is required to protect the same under the terms of this Agreement.

45. REFERENCED DOCUMENTS

45.1 Unless the context shall otherwise specifically require, and subject to Section 21, whenever any provision of this Agreement refers to a technical reference, technical publication, any publication of telecommunications industry administrative or technical standards, or any other document specifically incorporated into this Agreement, it will be deemed to be a reference to the most recent version or edition (including any amendments, supplements, addenda, or successors) of each document that is in effect, and will include the most recent version or edition (including any amendments, supplements, addenda, or successors) of each document incorporated by reference in such a technical reference, technical publication, or publication of industry standards.

References

References herein to Sections, Paragraphs, Exhibits, Parts, Schedules, and Appendices shall be deemed to be references to Sections, Paragraphs and Parts of, and Exhibits, Schedules and Appendices to, this Agreement unless the context shall otherwise require.

Tariff References

45.3.1 Wherever any Commission ordered tariff provision or rate is cited or quoted herein, it is understood that said cite encompasses any revisions or modifications to said tariff.

45.3.2 Wherever any Commission ordered tariff provision or rate is incorporated, cited or quoted herein, it is understood that said incorporation or reference applies only to the entity within the state whose Commission ordered that tariff.

Conflict in Provisions

45.4.1 In the event of a conflict between the provisions of this Agreement and the Act, the provisions of the Act shall govern.

45.4.2 If any definitions, terms or conditions in any given Appendix, Attachment, Exhibit, Schedule or Addenda differ from those contained in the main body of this Agreement, those definitions, terms or conditions will supersede those contained in the main body of this Agreement, but only in regard to the services or activities listed in that particular Appendix, Attachment, Exhibit, Schedule or Addenda. In particular, if an Appendix contains a Term length that differs from the Term length in the main body of this Agreement, the Term length of that Appendix will control the length of time that services or activities are to occur under that Appendix, but will not affect the Term length of the remainder of this Agreement.

Joint Work Product

45.5.1 This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

46. SEVERABILITY

46.1 Subject to the provisions set forth in Section 4 of the General Terms and Conditions, if any term, condition or provision of this Agreement is held to be invalid or unenforceable for any reason, each Party agrees that such provision shall be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be impaired or affected thereby. If necessary to effectuate the intent of the Parties, the Parties will promptly negotiate in good faith to amend this Agreement with a replacement provision or provisions for the unenforceable language that reflects such intent as closely as possible. If impasse is reached, the Parties will resolve said impasse under the dispute resolution procedures set forth in Section 16.

46.2 Incorporation by Reference

The General Terms and Conditions of this Agreement, and every Interconnection, function, facility, product or service provided hereunder, shall be subject to all rates, terms and conditions contained in the Appendices to this Agreement which are legitimately related to such Interconnection, function, facility, product or service.

47. SURVIVAL OF OBLIGATIONS

Any liabilities or obligations of a Party for acts or omissions prior to the cancellation or termination of this Agreement, any obligation of a Party under the provisions regarding indemnification, Confidential Information, limitations on liability, and any other provisions of this Agreement which, by their terms, are contemplated to survive (or to be performed after) termination of this Agreement, will survive cancellation or termination thereof.

48. GOVERNING LAW

48.1 Unless otherwise provided by Applicable Law, this Agreement shall be governed by and construed in accordance with the Act, the FCC Rules and Regulations interpreting the Act and other applicable federal law, as well as the laws of the State of Tennessee, and the rules and regulations of the Commission. To the extent that federal law would apply state law in interpreting this Agreement, the domestic laws of the state in which the Interconnection, functions, facilities, products and services at issue are furnished or sought shall apply, without regard to that state's conflict of laws principles. The Parties submit to personal jurisdiction in Nashville, Tennessee, and waive any and all objection to any such venue.

49. APPENDICES INCORPORATED BY REFERENCE

49.1 This Agreement incorporates the following listed Appendices. These appendices along with their associated Exhibits, and Addenda, constitute the entire Agreement between the Parties.

ITR- Interconnection Trunking Requirements
NIM- Network Interconnection Methods
Number Portability
Numbering
Pricing
Reciprocal Compensation
WP- White Pages

LOCAL NUMBER PORTABILITY- SECTION 251(b)(2)

49.2.1 The Parties shall provide to each other Local Number Portability (LNP) on a reciprocal basis as outlined in the applicable Appendix Number Portability, which is/are attached hereto and incorporated herein by reference.

INTERCONNECTION TRUNKING REQUIREMENTS- SECTION 251(a)

49.3.1 TDS TELECOM shall provide to US LEC Interconnection of the Parties' facilities and equipment for the transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic pursuant to the applicable Appendix ITR, which is/are attached hereto and incorporated herein by reference. Methods for Interconnection and Physical Architecture shall be as defined in the applicable Appendix NIM, which is/are attached hereto and incorporated herein by reference.

TRANSMISSION AND ROUTING OF TELEPHONE EXCHANGE SERVICE TRAFFIC

49.4.1 The applicable Appendix Reciprocal Compensation, which is/are attached hereto and incorporated herein by reference, prescribe traffic routing parameters for Local Interconnection Trunk Group(s) the Parties shall establish over the Interconnections specified in the applicable Appendix ITR, which is/are attached hereto and incorporated herein by reference.

COMPENSATION FOR DELIVERY OF TRAFFIC- SECTION 251(b)(5)

49.5.1 The Parties agree to compensate each other for the transport and termination of traffic as provided in Appendix Reciprocal Compensation.

50. OTHER REQUIREMENTS

50.1 ACCESS TO RIGHTS-OF-WAY - SECTION 251(b)(4)

50.1.1 TDS TELECOM shall provide to US LEC non-discriminatory access to Poles, Ducts, Conduits and Rights of Way owned or controlled by TDS TELECOM. Such access shall be provided in accordance with, but only to the extent required by, Applicable Law, pursuant to TDS TELECOM's applicable tariffs, or, in the absence of an applicable TDS TELECOM tariff, TDS TELECOM's generally offered form of license agreement.

50.1.2 US LEC shall provide to TDS TELECOM non-discriminatory access to Poles, Ducts, Conduits and Rights of Way owned or controlled by US LEC. Such access shall be provided in accordance with, but only to the extent required by, Applicable Law, pursuant to US LEC's applicable tariffs, or, in the absence of an applicable US LEC tariff, US LEC's generally offered form of license agreement, or, in the absence of such a tariff and license agreement, a mutually acceptable agreement to be negotiated by the Parties. The terms, conditions and prices offered to TDS TELECOM by US LEC for such access shall be no less favorable than the terms, conditions and prices offered to US LEC by TDS TELECOM for

access to poles, ducts, conduits, and rights of way owned or controlled by TDS TELECOM.

50.2 DIALING PARITY – SECTION 251(b)(3)

50.2.1 The Parties shall provide Dialing Parity to each other as required under Section 251(b)(3) of the Act.

51. CUSTOMER INQUIRIES

51.1 Each Party will refer all questions regarding the other Party's services or products directly to the other Party at a telephone number specified by that Party.


Each Party will ensure that all of their representatives who receive inquiries regarding the other Party's services: (i) provide the numbers described in Section 51.1 to callers who inquire about the other Party's services or products; and (ii) do not in any way disparage or discriminate against the other Party or its products or services.

52. DISCLAIMER OF WARRANTIES

52.1 EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NO PARTY MAKES OR RECEIVES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE INTERCONNECTION, FUNCTIONS, FACILITIES, PRODUCTS AND SERVICES IT PROVIDES UNDER OR IS CONTEMPLATED TO PROVIDE UNDER THIS AGREEMENT AND EACH PARTY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR OF FITNESS FOR A PARTICULAR PURPOSE. ADDITIONALLY, NO PARTY TO THIS AGREEMENT ASSUMES RESPONSIBILITY WITH REGARD TO THE CORRECTNESS OF DATA OR INFORMATION SUPPLIED BY ANY OTHER PARTY TO THIS AGREEMENT WHEN SUCH DATA OR INFORMATION IS ACCESSED AND USED BY A THIRD PARTY.

US LEC of TENNESSEE INC.

TDS TELECOMMUNICATIONS CORPORATION, not individually but as agent for Concord Telephone Exchange, Inc., Humphreys County Telephone Company, Tellico Telephone Company, Inc., and Tennessee Telephone Company


Signature _____ Date 6/3/02


Signature _____ Date 6/13/03

Wanda Montano
Printed Name

Louis D. Reilly, III

VP – Regulatory and Industry Affairs
Position/Title

Director- Carrier Relations
Position/Title

Signature Page to the Interconnection Agreement between Concord Telephone Exchange, Inc., Humphreys County Telephone Company, Tellico Telephone Company, and Tennessee Telephone Company (TDS TELECOM) and US LEC of Tennessee Inc. dated the date last signed above.