

CONFIDENTIAL SETTLEMENT AGREEMENT

This Agreement is made and effective as of the 15th day of March, 2006 (the "Effective Date"), between Qwest Corporation ("Qwest") and Tel West Communications, LLC ("Tel West") (Qwest and Tel West may be hereafter individually referred to as a "Party" and collectively referred to as the "Parties").

RECITALS

WHEREAS, Qwest and Tel West are parties to an interconnection agreement and a wholesale services agreement known as the Qwest Platform Plus, or QPP, and

WHEREAS, Tel West has filed a Complaint with the Washington Utilities and Transportation Commission (the "Commission") under Docket No. UT-053098 complaining that Qwest had not implemented the Batch Hot Cut process in Washington as described in the above-referenced agreements, and claiming that Qwest owes Tel West \$38,111.44, and

WHEREAS, Qwest has filed an answer and counterclaim in Docket UT-053098, denying any liability and alleging that Tel West is in arrears on its payments to Qwest on undisputed amounts, in the amount of \$286,452.11, the "Billing Dispute," and

WHEREAS, the Parties desire to settle the disputes related to the issues raised in Docket No. UT-053098.

NOW, THEREFORE, in consideration of the mutual agreements, undertakings, and representations contained herein, the payment of the amounts set forth below, and other good and valuable consideration, which is hereby acknowledged, the Parties agree as follows:

AGREEMENTS AND COVENANTS

1. The Parties agree that as of the Effective Date of this agreement, Tel West owes Qwest a past due balance in the amount of [REDACTED] in Washington on the accounts set forth in Attachment A hereto. That amount shall be paid to Qwest by Tel West in [REDACTED] equal and consecutive monthly payments in the amount of [REDACTED], beginning on March 20, 2006, and payable thereafter [REDACTED].

2. The Parties further agree that as of the Effective Date of this agreement, Qwest has outstanding billings to Tel West for services provided which billings are not yet past due. The parties agree that this agreement does not affect Tel West's obligation to pay current and future charges and Tel West agrees to pay these bills on or before the due date, and to pay all subsequent monthly bills, through [REDACTED] on or before the due date.

3. Tel West further agrees that if any payment identified in paragraphs 1 or 2 above is made past the due date, the entire amount (or remaining balance) of the [REDACTED] shall become past due and payable immediately, and shall be subject to collection action, or may trigger a demand for a deposit as set forth in other agreements of the Parties.

4. Within seven (7) days of the Effective Date of this agreement, Qwest and Tel West will jointly file the agreement with the Washington Utilities and Transportation Commission as a confidential document, requesting acceptance of the agreement, and dismissal with prejudice of the claims made in Docket No. UT-053098.

REDACTED
CONFIDENTIAL
Pursuant to Protective
Order in UT-053098

5. In consideration of the payments, covenants, agreements and commitments contained herein and the Parties' performance of this Agreement, each Party releases, acquits, holds harmless and forever discharges the other Party, its officers, directors, employees, agents, attorneys, successors, assigns, parents, subsidiaries, affiliates, shareholders, partners, insurance companies and bonding companies and each of their directors, officers, agents, attorneys, employees and representatives (collectively the "Released Parties") from any and all claims, demands, damages, disputes, actions, causes of action, suits, debts, duties, losses, and obligations of any kind or nature whatsoever, known or unknown, related to or arising out of the accounts listed in Attachment A that are the subject of the Billing Dispute which it has, had or may have that accrued from the beginning of time through the date of the execution of this Agreement against each respective Released Parties, or any of them. This Agreement shall constitute a full satisfaction, discharge and release of all claims related to the accounts listed in Attachment A that are the subject the Billing Dispute.

6. This Agreement shall be confidential, and each Party shall maintain the confidentiality of this Agreement. If either Party is compelled to disclose the existence or terms of this Agreement in judicial or administrative proceedings, such Party will notify the other party in writing, at least 30 days in advance of such disclosure, to provide the other Party an opportunity to seek protective arrangements. Each Party will cooperate with the other Party in that regard. The Parties specifically acknowledge and agree to the disclosure set forth in paragraph 4 above.

7. Qwest and Tel West each represents and warrants, that:

- A. It has full authority and the present ability to perform all of its obligations under this Agreement;
- B. It has all requisite corporate and other legal power and authority to enter into and perform its obligations under this Agreement;
- C. No consents, approvals, authorizations or notices from any third parties are required in connection with or for: (i) the performance of its obligations under this Agreement; (ii) the validity and enforceability of this Agreement; or (iii) its execution, delivery and performance of its obligations under this Agreement; and
- D. It has not assigned, sold or transferred its right, power or authority to execute and grant the releases and enter into the covenants and agreements contained herein.

8. If either Party fails to enforce any right or remedy available under this Agreement, that failure will not be construed as a waiver of any right or remedy with respect to any other prior or subsequent default, misrepresentation or breach of any term or condition of this Agreement or in any manner affect any rights arising by reason of any such prior or subsequent default, misrepresentation or breach.

9. This Agreement constitutes the full, entire and complete understanding and agreement between Qwest and Tel West and supersedes any prior understandings, agreements or representations, if any, whether written, oral or otherwise, that relate in any manner whatsoever to the subjects of this Agreement. Notwithstanding, this Agreement does not supersede the Parties' ICA and QPP agreements. This agreement does not affect the other accounts Tel West has with Qwest including, without limitation, the accounts listed in Attachment B.

REDACTED

10. To the extent not governed by the Communications Act of 1934, as amended (47 USC Section 201 et seq.), this Agreement shall be interpreted and construed in accordance with the laws of the state of Washington.

11. **Dispute resolution.** In the event of any dispute, claim or controversy arising out of or related to this Agreement or the performance, breach, validity, interpretation, application or termination thereof or any disagreement between the Parties regarding the terms thereof, which the Parties are unable to resolve, the dispute will be subject to the dispute resolution procedures of the Parties' *Qwest Master Services Agreement* on file with the Commission and without limitation to either Party bringing the dispute before the Commission for resolution.

12. This Agreement has been jointly drafted by Qwest and Tel West and shall not be interpreted in favor of or against either Party. Qwest and Tel West have each sought and obtained advice of counsel in negotiating and entering into this Agreement.

13. Any notice to Qwest or Tel West required or permitted under this Agreement shall be in writing and shall be deemed given if personally served, upon delivery by Certified US Mail, return receipt requested, postage prepaid and addressed to the intended recipient, or by delivery from an overnight courier service. Upon prior agreement of Qwest's and Tel West's designated recipients listed below, such notice may also be provided by facsimile. Any notice shall be delivered using one of the aforementioned means and shall be directed as indicated below:

If to Qwest: Qwest Corporation
Attention: Legal Department
1801 California Street, Suite 5100
Denver, Colorado 80202

If to Tel West: Tel West Communications, LLC
Attn: Jeff Swickard, President
12101 Tukwila International Blvd, Suite 300
Seattle, WA 98168

13. Qwest and Tel West acknowledge and agree that this Agreement does not constitute an admission by either of them of the truth, accuracy or merit of any fact, asserted principle of law, any matter, claim or cause of action alleged or asserted in any judicial, regulatory or other forum, whether past, present or future, relating to the subject matter of this Agreement. This Agreement does not constitute an admission with respect to the appropriateness or legality of any charges, billed or unbilled, whether paid or unpaid, nor does it constitute an ongoing term or condition of any interconnection agreement, and each Party reserves any and all rights to take any action with respect to any future billing disputes it may have. Nothing contained herein shall be construed or interpreted to preclude representatives of Qwest or Tel West from responding to legal process in connection with the subject matter of this Agreement; provided, that any such responding Party shall provide prompt notice of any such response to the other Party.

14. This Agreement may be executed by facsimile and in multiple counterparts, each of which shall be deemed an original, but all of which shall be deemed one and the same document.

REDACTED

IN WITNESS THEREOF, Qwest and Tel West have caused this Agreement to be duly executed and delivered as of the date first set forth above.

Qwest Corporation

Tel West Communications, LLC

By: Ken Beck

By: Jeff K. Swickard

Name: KEN BECK

Name: JEFF K. SWICKARD

Title: DIRECTOR

Title: PRESIDENT

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Pursuant to Protective
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