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Senior Director – Regulatory
Policy and Law

October 14, 2004

Ms. Carole Washburn, Executive Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

Attn: Kathy Folsom

RE: WAC 480-146-350 Affiliated Interest Agreement

Dear Ms. Washburn:

In accordance with WAC 480-146-350, Qwest Corporation is filing notification of the enclosed affiliated interest agreement between Qwest Corporation ("QC") and Qwest LD Corp. (QLDC). This is a new agreement entitled Agreement for the Provision of Billing and Collection Services for Message Telephone Service (MTS) between Qwest Long Distance Corp. and Qwest Corporation. It replaces the current Billing and Collection Agreement which will expire on November 30, 2004.

Please call Joyce McDonald on 206-345-1514 if you have any questions or require any additional information.

Very truly yours,



for Mark Reynolds

Enclosure

RECEIVED
RECORDS MANAGEMENT
04 OCT 18 AM 9:51
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

**AGREEMENT FOR THE
PROVISION OF BILLING AND COLLECTION SERVICES
FOR
MESSAGE TELEPHONE SERVICE (MTS)
BETWEEN
QWEST LONG DISTANCE CORP.
AND
QWEST CORPORATION**

The Parties acknowledge that this Agreement contains commercially confidential information that may be considered proprietary by either or both Parties, and agree to limit the distribution of the Agreement to those individuals in their respective organizations with a need to know the contents of the Agreement.

Notice

The information contained herein should not be disclosed to unauthorized persons.
It is meant for use by authorized representatives of Qwest and QLDC only.

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AGREEMENT FOR THE PROVISION OF BILLING AND COLLECTION SERVICES

THIS AGREEMENT for the Provision of Billing and Collection Services (hereinafter "Agreement") is entered into this first day of December 1, 2004, between Qwest Corporation, a Colorado Corporation (hereinafter referred to as "Qwest"), and Qwest Long Distance Corp., a Delaware corporation (hereinafter referred to as "QLDC"), acting through their authorized representatives.

WHEREAS, QLDC intends to purchase from Qwest and Qwest intends to provide to QLDC MTS Billing and Collection Services (hereinafter referred to as "Services"), as further described in Exhibit B, to certain End Users through the use of CIC 0236.

NOW, THEREFORE, in consideration of the mutual benefits accruing to each Party, the Parties hereby covenant and agree as follows:

1. Purpose of Agreement

- A. The purpose of this Agreement is to set forth terms and conditions pursuant to which Qwest will provide Services to QLDC; provided, however, that said Services shall be limited to QLDC's Regulated basic toll Message telephone service ("MTS") and MTS-Like telecommunication services.
- B. This Agreement shall not include billing for Non-Regulated services or products, including, but not limited to:
 1. telegrams/cablegrams;
 2. voice messaging services;
 3. pagers and/or paging services;
 4. calls originated via Internet Service Protocol (ISP);
 5. Internet or Internet-related services;
 6. Audiotext-type services accessed via 900 and non-900 NPA's; and/or
 7. indecent communications for commercial purposes.

2. Scope of Agreement

This Agreement defines the terms and conditions for which Qwest will provide Services to QLDC. It includes the following Exhibits:

Exhibit A	Definitions
Exhibit B	Description of Services
Exhibit C	Price Lists
Exhibit D	Accounts Receivable Settlement Terms
Exhibit E	Treatment and Collection Policy
Exhibit F	Inquiry and Adjustments
Exhibit G	MTS Billing Policy
Exhibit H	ASK – End User Account Activity

The above-mentioned Exhibits are attached hereto and incorporated herein by reference.

3. Responsibilities of QLDC

- A. QLDC shall utilize CIC 0236 previously issued by Telcordia Technologies, for billing identification purposes within the Qwest billing system.

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- B. QLDC grants Qwest the right to use QLDC's name and logo within each section of the End User's bill containing QLDC's charges. Further, QLDC grants Qwest the right to include an informative Message to the End User defining the relationship between Qwest and QLDC.
- C. QLDC shall exercise commercially reasonable efforts, at all times, to: 1) give prompt, courteous, and efficient service to End Users; 2) be governed in all dealings with End Users by the highest standards of honesty, integrity, and fair dealing; 3) do nothing tending to discredit, dishonor, reflect adversely upon, or in any manner injure the reputation of Qwest or the Services covered by this Agreement and the quality image associated with Qwest or such Services.
- D. In the course of providing operator assisted calls QLDC will comply with Paragraph C above and, in addition, QLDC will:
 - 1. Prior to the commencement of charging, QLDC shall exercise commercially reasonable efforts to identify itself as the provider of service (using the provider name that will appear on the End User's bill), for each call QLDC responds to, thereby giving the End User a reasonable opportunity to terminate the call without incurring a charge.
 - 2. Upon an End User's request, quote accurate rates and charges prior to placing the End User's call, thereby giving the End User a reasonable opportunity to terminate the call without incurring a charge.
 - 3. Provide expeditious handling and connection to the appropriate agency for emergency calls. QLDC may handle emergency services directly or may contract with other providers of emergency services.
- E. For each End User Message submitted to Qwest for billing, QLDC will provide originating and terminating Message detail, including, but not limited to, all telephone numbers actually dialed by the End User to complete the call, date and amount of transaction, duration of the call for time-sensitive billing and other pertinent data for presentation on the End User bill, including, when applicable, service descriptions and/or program names. Further, QLDC agrees to send Qwest billing details that accurately identify the calls that were originated, e.g., calling card, collect, etc.
- F. QLDC shall exercise reasonable efforts not to submit to Qwest any domestic Messages ninety (90) days or more after the date of the Message or any international Messages one hundred and eighty (180) days or more after the date of Message (hereinafter "old Messages"). Qwest reserves the right to reject non-compliant Messages and return such Messages to QLDC as Unbillable.
- G. QLDC will query and wait for a response from a line information database on all alternate billed calls (collect, third number and calling card) initiated by QLDC's End Users and submitted to Qwest for billing. QLDC further ensures that such calls will be processed according to recognized industry standards. QLDC will submit such billing records to Qwest with an appropriate value, identifying the outcome of the database query, populated within Indicator 17 (Billing Validation Database) of the EMI record.
- H. QLDC shall exercise commercially reasonable efforts not to submit Messages to Qwest for billing on public access line (PAL) accounts. When technically feasible, Qwest reserves the right to reject and return such Messages to QLDC as Unbillable.
- I. QLDC shall exercise commercially reasonable efforts to notify Qwest, no less than thirty (30) days prior to the date QLDC:

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1. intends to begin billing an extra charge to End Users for a telephone bill payment option ("LEC Billing Fee");
2. the date the LEC Billing Fee will begin to be charged;
3. the amount of the LEC Billing Fee; and/or
4. when a pre-existing LEC Billing Fee is being changed to a different amount.

LEC Billing Fees may be identified to End Users as either: (1) an extra amount included or bundled into the charge for the service or, (2) displayed as a separate line item transaction in the bill. In either case, QLDC shall notify Qwest accordingly.

- J. QLDC represents and warrants that it has received certification to operate in all states where it intends to do business, as may be required by certain state regulatory rules, e.g. the states of Montana and Washington. QLDC will provide Qwest with written confirmation of the fact it has been certified to operate in all states where it intends to do business prior to submitting billing to End Users in such states. Further, QLDC agrees to conduct all billing operations in compliance with all applicable laws and regulations of all states in which it operates and all laws and regulations of the federal government and its agencies, including but not limited to the FCC.
- K. QLDC represents and warrants that it will not submit billing for any charges for services that are not authorized by the End User. Charges shall be considered "unauthorized" if, within ten (10) business days of written request from Qwest, QLDC cannot produce a written letter of authorization (LOA), electronic service order or voice-captured third-party verification (TPV) record that was generated by an individual with access to the End User's telephone line.

4. Provision of Billing and Collection Services

- A. Services provided under the terms of this Agreement are contingent upon a Shared Qwest End User bill in which Qwest is the provider of local telephone service.
- B. Qwest Services shall only be provided via this contract and in accordance with the terms and conditions of this Agreement.
- C. Presentation of QLDC's portion of the bill in shall be at the sole discretion of Qwest for content, including, but not limited to, logos, bill format, type of Messages, Market Messages and relationship to others within the same bill.
- D. Services will be billed via the B&C Invoice and shall be calculated utilizing one or a combination of the following pricing methodologies, as further described in Exhibit C:
 1. Volume-sensitive recurring pricing (volumes multiplied by a set price);
 2. Flat-rated recurring pricing; and
 3. Non-recurring Developmental Charges.
- E. In the event of a Federal Communications Commission ("FCC") or Federal Trade Commission ("FTC") order or any state regulatory order, which may cause Qwest an increase in the cost of providing Services, including, but not limited to, enhancements required to support Truth-in-Billing requirements, Qwest reserves the right to allocate developmental costs associated with implementing the order across all affected customers and/or to modify its recurring rates retroactive to the effective date of such order. In such event, QLDC reserves the right to terminate this Agreement upon thirty (30) days written notice to Qwest and QLDC's sole and exclusive obligation for payment to Qwest shall be to make payment of: 1) all balances due, pursuant to Section 8 of the Principal Agreement; 2) authorized charges associated with any

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completed or partially completed Custom Request development work; 3) the pro-rated portion of the annual Service Commitment, pursuant to Section 7 of the Principal Agreement; and 4) the unsatisfied balance of any remaining annual Bill Volume Commitment, pursuant to Exhibit C, Supplement C-1.

- F. When requested by QLDC and in the event QLDC submits Messages for billing on accounts for which Qwest no longer provides local service, Qwest shall reject such Messages as Unbillable and may provide a LSPID, as part of the rejected Message detail when technically feasible.
- G. Qwest, at its sole discretion, reserves the right to increase any prices contained within this Agreement with sixty (60) days written notice to QLDC, prior to the new price(s) taking effect. Upon receipt of such notification, should QLDC decide to terminate this Agreement, QLDC shall notify Qwest in writing of its intentions within thirty (30) days of receipt of the price increase notification, or the rates will go into effect pursuant to the date specified in the price increase letter. At such time as QLDC exercises its right to terminate this Agreement under this Section, QLDC's sole and exclusive obligation for termination under this Section is to make payment of: 1) all balances due, pursuant to Section 8 of the Principal Agreement; 2) authorized charges associated with any completed or partially completed Custom Request development work; 3) the prorated portion of the annual Service Commitment, pursuant to Section 7 of the Principal Agreement; and 4) the prorated portion (through the end of the calendar year of termination) of any annual Bill Volume Commitment, pursuant to Exhibit C, Supplement C-1. Such calculation of the unsatisfied Bill Volume Commitment balance will be based on the Bill Production rate in effect at the time of the termination notice.

5. Developmental Charges

- A. Qwest consists of three distinct operating regions, the Central, Eastern and Western regions, (hereinafter each operating region shall be individually referred to as "Qwest Region").
- B. At such time as QLDC requires additional billing identifiers (i.e. CICs, ABECs or Pseudo-CICs) beyond CIC 0236 which is established, Qwest will require Developmental Charges for the implementation of such additional identifiers in each Qwest Region. Upon QLDC's authorization to perform this work on its behalf, such Developmental Charges shall be due and payable to Qwest in full within thirty (30) days of Qwest initiating implementation activities on behalf of QLDC.
- C. Developmental Charges shall apply for subsequent types of QLDC-initiated Custom Request work, including, but not limited to the following types of changes:
 - 1. testing new EMI billing records (this includes different category, group or record types which were not tested as part of initial implementation);
 - 2. changing QLDC's name, logo, inquiry number and/or website URL on the end user bill;
 - 3. changing from one type of media input or output to another (e.g. converting from internet to NDM or vice versa);
 - 4. all requests involving Market Messages; and/or
 - 5. enhancements required in support of Section 4.F of the Principal Agreement.

All such enhancements will be handled and billed in accordance with Exhibits B and C, Section II, Custom Request Service. Upon QLDC authorization, all Custom Request Developmental Charges shall be due and payable to Qwest in full within thirty (30) days of Qwest initiating implementation activities on behalf of QLDC.

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D. Additional Developmental Charges will apply for other subsequent types of QLDC-initiated Custom Request work, as set forth in Exhibit B, Section II, Custom Request Service. Upon QLDC authorization, such Developmental Charges shall be due and payable to Qwest in full within thirty (30) days of Qwest initiating implementation activities on behalf of QLDC.

6. Annual Bill Volume Commitment

Should QLDC elect to make an annual "take or pay" Bill Volume Commitment, pursuant to Exhibit C, Supplement C-1. Such commitment shall be subject to the following terms:

- A. If the actual number of bills incurred by QLDC in each calendar year do not meet or exceed the minimum level of the Commitment tier for that year, then Qwest will conduct a true-up for that year after the December actuals are billed on the January B&C invoices. Any shortfall that is due will be considered due and payable in accordance with the provisions of Section 8 of the Principal Agreement.
- B. Should Qwest terminate this Agreement for convenience, prior to the date specified in Section 17.A of the Principal Agreement, QLDC shall be relieved from any unsatisfied portion of the Commitment for the balance of the Agreement's term. In such event, QLDC's sole and exclusive obligation for payment to Qwest shall be to make payment of: 1) all balances due, pursuant to Section 8 of the Principal Agreement and 2) authorized charges associated with any completed or partially completed Custom Request development work.
- C. Should Qwest terminates this Agreement prior to the date specified in Section 17.A of the Principal Agreement, due to a default by QLDC, as provided for in Section 20 of the Principal Agreement, then QLDC's sole and exclusive obligation for payment to Qwest shall be to make payment of: 1) all balances due, pursuant to Section 8 of the Principal Agreement; 2) authorized charges associated with any completed or partially completed Custom Request development work; 3) any unsatisfied portion of the annual Service Commitment, pursuant to Section 7 of the Principal Agreement; and 4) the unsatisfied balance of any remaining annual Bill Volume Commitment, pursuant to Exhibit C, Supplement C-1.

7. Service Commitment

QLDC understands and agrees that Qwest requires an annual calendar year service minimum (hereinafter "Service Commitment") in the amount of sixty-five thousand dollars (\$65,000) in recurring Service charges, for each QLDC CIC/ABEC in each Qwest Region where QLDC intends to do business. Such Service Commitment is required for QLDC's Actual Charges incurred for Services rendered to QLDC for each active CIC/ABEC. The Service Commitment will be due and payable to Qwest as follows:

- A. If the actual charges incurred by QLDC within each Qwest Region, for each calendar year, do not meet or exceed the Service Commitment, then Qwest will conduct a true-up for that year after December actuals are billed on the January B&C invoices and bill QLDC for any shortfall.
- B. Each year during the term of this Agreement, Qwest shall exercise commercially reasonable efforts to invoice QLDC by the end of the 2nd quarter of the following year for the difference (shortfall) between the total Service Commitment due and the Actual Charges incurred by QLDC across all Qwest Regions during the previous calendar year. Should the Actual Charges for any CIC/ABEC exceed the Service Commitment

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in one or more Qwest Regions, any excess may be applied towards a deficiency that may exist in another Qwest Region for the same CIC/ABEC, as needed.

- C. QLDC understands and agrees that Developmental Charges associated with the implementation of additional billing identifiers, as described in Section 5.B of the Principal Agreement, will not apply toward the Service Commitment. Other Developmental Charges associated with Custom Request Service shall be applied to the Service Commitment. QLDC agrees to pay Qwest any amounts due in accordance with the provisions of Section 8 of the Principal Agreement .
- D. Upon termination of this Agreement, as specified in Section 17.A of the Principal Agreement, the Service Commitment for the last calendar year will be determined by prorating the number of full or partial months completed in the final year of the Agreement, beginning with the end of the previous calendar year through the actual month of termination. Qwest will invoice QLDC for the difference between the total Service Commitment due and the Actual Charges incurred by QLDC across all Qwest Regions. Such amount will be invoiced to QLDC and is due and payable in accordance with the provisions of Section 8 of the Principal Agreement.
- E. Notwithstanding Section 6.B of the Principal Agreement, if termination of this Agreement occurs prior to the expiration date specified in Section 17.A of the Principal Agreement, Qwest will conduct a true-up as follows: 1) Qwest will prorate the Service Commitment using the number of full or partial months completed from the end of the previous calendar year through the actual Termination Date; and 2) will calculate the difference between the total Service Commitment due and the Actual Charges incurred by QLDC across all Qwest Regions for the same period. Such amount will be invoiced to QLDC and is due and payable in accordance with the provisions of Section 8 of the Principal Agreement. The actual Termination Date will be four (4) months after the month Qwest received written notice of termination from QLDC, pursuant to Section 17.B of the Principal Agreement. For purposes of this Agreement, the termination date of record will always be the last calendar day of the appropriate month.

8. Prices; B&C Invoice; Payment

A. Prices

All Services provided pursuant to this Agreement shall be provided at the prices specified in Exhibit C.

B. Billing and Collection Invoice ("B&C Invoice")

Qwest shall bill QLDC for Services via a monthly B&C Invoice, utilizing the prices set forth in Exhibit C.

C. Payment of the B&C Invoice

- 1. QLDC's payment for Services shall be due on the payment due date reflected on the B&C Invoice.

If a payment would be due on a Saturday, Sunday or bank holiday, payment for the amount due Qwest will be as follows:

- a. If such payment date falls on a Sunday or on a holiday, which is observed on a Monday, the payment date shall be the first non-holiday following such Sunday or holiday.

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- b. If such payment date falls on a Saturday or on a holiday that is observed on Tuesday, Wednesday, Thursday, or Friday, the payment date shall be the last non-holiday preceding such Saturday or holiday.
2. Any payment for Services which Qwest receives after the payment date designated on the B&C Invoice or any payment received in funds which are not immediately available to Qwest on the payment date, will be subject to a late payment penalty. The late payment penalty would result in an annual percentage rate of twelve percent (12%) to be calculated at a daily compounded rate factor of 0.000310, for the number of days from the original scheduled payment date, up to and including, the date that QLDC actually made the payment to Qwest.
3. Any late payment resulting from bank error will not be subject to the late payment penalty provided that QLDC can verify that it was not at fault. It is the responsibility of QLDC to notify the banks involved for resolution of the bank error.
4. Qwest reserves the right, at its sole discretion, to deduct (net) any amounts owing Qwest for any Qwest services provided to QLDC, from any funds or proceeds due QLDC from Qwest, arising from the purchase of accounts receivable settlements. Qwest is not required to deduct (net) amounts past due to prevent QLDC from being in default of this Agreement.
5. Any dispute associated with QLDC's payment shall be governed by the provisions of Section 9 of the Principal Agreement. Should the dispute not be resolved by the Payment Date of the amount due, QLDC shall, notwithstanding the continuing existence of the dispute, pay the billed amount in accordance with the terms defined in this Agreement.
6. Failure to make payment, including late charges, may be deemed a default pursuant to Section 19 of the Principal Agreement.
7. At the point this Agreement expires or the Agreement is terminated by either Party, Qwest will continue to provide some Services, including, but not limited to End User Adjustments, for an additional twelve (12) month period from the expiration or termination date (also known as "cessation period"). During this time, Qwest will continue issuing a B&C Invoice to bill for such Services and QLDC agrees to pay Qwest the amount due by the payment due date specified on the invoice, pursuant to provisions of Section 8.C.1 of the Principal Agreement.

9. Claims and Dispute Resolution

- A. In the event either Party submits a claim to the other, subject to the Limitation Period defined in Section 16 of the Principal Agreement, the submitting Party shall provide the following data in writing:
 1. date the claim was initiated;
 2. a complete and historical description of the claim;
 3. the amount of the claim;
 4. beginning and end dates associated with the claim period; and
 5. supporting documentation
- B. Upon notification of a claim, the receiving Party shall have thirty (30) business days from the receipt date to acknowledge receipt of the claim and inform the notifying Party of the claim's initial status. From that point, the receiving Party shall exercise

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commercially reasonable efforts to provide a final written disposition to the claiming Party within ninety (90) days.

- C. In the event of any claim, controversy or dispute between Qwest and QLDC, except any claim, controversy or dispute in which a Party seeks equitable relief, then such claim, controversy or dispute shall be settled as follows:
1. All disputes between the Parties with respect to any subject listed in Paragraph C above shall, when appropriate, be escalated through normal business procedures to the officer level prior to the commencement of any arbitration proceeding.
 2. If necessary, any claim, controversy or dispute between the Parties shall be resolved by arbitration in accordance with the Federal Arbitration Act, 9 U.S.C. 1-16. Arbitrations shall be conducted in Denver, Colorado, by a retired judge or a practicing attorney, under the rules of the American Arbitration Association. The arbitrator's decision shall be final and binding and may be entered in any court with jurisdiction. Each Party shall be responsible for its own costs.

10. Audit

- A. For purposes of this Section, an audit shall mean a QLDC-requested comprehensive review (hereinafter "Audit") of a Service, except as cited in paragraph F of this Section. Such Audit may encompass one or more departments. QLDC may conduct not more than one Audit during the term of this Agreement over all three Qwest Regions. If an Audit is inclusive of one or more Qwest Regions, it shall be counted as one Audit. Both Parties agree that an Audit shall be limited to a statistically valid sample with a ninety percent (90%) confidence level and a plus or minus ten percent (10%) error and precision rate. All Qwest expenses incurred during the Audit including, data extraction, masking, investigative analysis, and documentation, will be borne by Qwest.
- B. At such time as QLDC desires to expand an Audit beyond a ninety percent (90%) confidence level, QLDC understands and agrees to pay all Qwest expenses for the additional incremental Audit activities required, including, but not limited to, account extraction, masking, analyzing accounts, investigative analysis, documentation and other Audit activities. In this situation, Qwest will provide QLDC with a detailed time and cost estimate for the incremental expenses associated with the Audit, in accordance with the prices specified in Exhibit C, Section IV. The estimate will be valid for a period of thirty (30) days from the date the estimate is delivered to QLDC.
- C. Both Parties shall agree on the auditor to be utilized to conduct the Audit. If both Parties agree an independent auditor is necessary, then both Parties will share in the expense of such auditor. The agreed upon auditor will be required to sign a joint non-disclosure agreement with QLDC and Qwest.
- D. To initiate an Audit, QLDC shall provide Qwest with written notice of its intent to Audit as well as the specific requirements of the Audit. Such requirements shall identify the following:
1. service to be audited;
 2. desired start date;
 3. desired Audit location;
 4. QLDC's participating representatives; and
 5. specific materials to be reviewed, i.e.,
 - a. number of accounts;
 - b. type of accounts;
 - c. Message detail; and

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- d. time period of data to be reviewed.
- E. Both Parties shall mutually agree in writing to all details of the Audit, including all requirements cited in Paragraphs C and D, above.
- F. The agreed upon auditor shall have the right, on behalf of QLDC, to review all such records and accounts as may under recognized accounting practices contain information on QLDC's End User accounts and Services. All information reviewed by the independent auditor is considered Confidential Information in accordance with this Agreement. Qwest will provide for review extracts or masked data, which contain information pertinent only to QLDC. Qwest will not provide for review of source documents, which contain information relating to other Entities for which Qwest is providing Services.
- G. Upon completion of the Audit, corrective action, if any, shall be initiated within thirty days of the mutually agreed upon resolution. Any Qwest liability for Services disclosed by the Audit shall result in an Adjustment, which shall be limited in accordance with the provisions of Section 11 of the Principal Agreement.
- H. All costs incurred by Qwest, when participating on behalf of QLDC during the course of an Audit ordered by a third-party, such as a public utilities commission or other regulatory agency, will be the responsibility of QLDC. Prior to Qwest's participation in a third-party Audit, a detailed estimate will be prepared, based upon QLDC's written notice in accordance with the terms and prices set forth in Exhibits B and C respectively, Consulting Services. The estimate will be valid for a period of thirty (30) days from the date the estimate is delivered to QLDC. Further, the estimate, and any subsequent revisions, must be approved in writing by both Parties, prior to Qwest performing such services or QLDC incurring any costs unless Qwest is ordered to conduct the audit by a court or regulatory authority.

11. Billing Errors and Limitation of Liability

- A. QLDC and Qwest agree to use commercially reasonable efforts to provide each other verbal notification immediately upon discovery of billing errors followed by written notification within thirty (30) days. Such written notification shall contain detailed information to aid in identifying the cause of the billing error and its correction. Qwest agrees to extend commercially reasonable efforts to correct billing errors within thirty days of notification (by QLDC) or discovery (by Qwest). Where meeting the thirty-day objective is not possible, Qwest will notify QLDC of the expected resolution date.
- B. Qwest makes no warranties, express or implied, as to any Service provisioned hereunder. Qwest specifically disclaims any and all implied warranties, including, without limitation any implied warranties of merchantability, fitness for a particular purpose, title or non-infringement. Qwest's total liability for non-performance or inadequate performance of its obligations hereunder and QLDC's sole and exclusive remedy for any loss, cost, claim injury, liability or expense, including reasonable attorney's fees, regardless of theory for the following occurrences, shall be limited to the lesser of the amounts paid by QLDC hereunder, or the amount of actual damages incurred (with such limitation being an aggregate limitation and not a per-incident limitation), measured and further limited as follows:
 - 1. If Qwest, due to its gross negligence or willful misconduct, loses, damages or destroys QLDC's recorded Messages while providing Services and Qwest cannot bill and QLDC cannot resubmit such Messages, Qwest will estimate the volume of the Messages and associated revenue based on the most comparable previously known values less uncollectibles and Adjustments. Where the most comparable

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values are unknown, the estimated revenue associated with such unbilled Messages will be mutually agreed upon. Qwest shall pay to QLDC an amount equal to the estimated revenue associated with such unbilled Messages less uncollectibles and charges for Services commensurate with such revenue. Payment to QLDC shall be made within sixty (60) days from discovery of such error or omission.

2. If Qwest, due to its gross negligence or willful misconduct, fails to process QLDC's Messages or processes the Messages incorrectly, the Parties agree that Qwest will promptly, upon correction of the billing system error, reprocess the Messages.
 - a. In cases where the rebilling would occur within one-hundred eighty (180) days from the initial receipt of the Message and Qwest determines that such reprocessing is unfeasible from an economic, technical or marketing perspective, Qwest shall pay to QLDC an amount equal to the estimated revenue associated with such unbilled Messages less uncollectibles and charges for Services commensurate with such revenue. Such payment shall be made to QLDC within sixty (60) days from date of determination not to reprocess.
 - b. In cases where the rebilling would occur more than one-hundred eighty (180) days after such billing would normally have occurred, such rebilling will be performed only upon the mutual agreement of the Parties. Absent such rebilling of Messages, Qwest shall pay to QLDC an amount equal to the estimated revenue associated with such unbilled Messages less uncollectibles and charges for Services commensurate with such revenue. Such payment shall be made to QLDC within sixty (60) days from the date of mutual agreement. If Qwest determines that reprocessing will not be done, it will be liable to QLDC for the actual revenue associated with the Messages not processed.
 3. If Qwest, due to its gross negligence or willful misconduct, fails to collect or perform collection activities of QLDC's End User Accounts resulting in increased Net Bad Debt, Qwest's total liability and QLDC's sole and exclusive remedy for any loss, cost claim, injury, or expense resulting from this failure to perform, regardless of theory, shall be limited to the associated actual price of the Bill Production charges paid by QLDC for those uncollected accounts.
 4. If Qwest, due to its gross negligence or willful misconduct, fails to perform or negligently performs any other service specified in this Agreement, Qwest's total liability and QLDC's sole and exclusive remedy for any loss, cost, claim, injury, or expense resulting from this failure to perform, regardless of theory, shall be limited to the associated actual price of the services negligently performed or not performed.
- C. QLDC's liability to Qwest (as distinct from QLDC's obligation to pay for Services provided pursuant to this Agreement) for any loss, cost, claim, injury, liability, or expense, including reasonable attorneys' fees, regardless of theory, shall be limited to the amount of actual damages incurred, excluding third-party claims.
- D. Qwest assumes no liability for accuracy of Messages recorded by QLDC and provided by QLDC to Qwest for billing.
- E. QLDC will pay Qwest for the correction of billing errors caused by any inaccurate or incomplete QLDC instructions, whether written or verbal, associated with QLDC requested changes. Further, QLDC will pay for the correction of billing errors resulting

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from billing details passed to Qwest that are not accurately identified or any other billing error resulting from QLDC's failure to perform in accordance with Section 3.

- F. In no event shall either Party be liable to the other for any incidental, consequential or special damages, including without limitation, lost revenues, profits, or savings, even if it has been advised of the possibility of such damages. Each Party waives any claim against the other for punitive or exemplary damages, except to the extent the same shall form part of any indemnified claim.
- G. In the event the Parties cannot agree that reprocessing is feasible or cannot agree on a revenue settlement, or cannot agree on any other issue associated with this Section, the Parties agree to utilize the provisions of Section 8 above to resolve the dispute.

12. Data Retention

QLDC agrees to retain copies of all files transmitted or in any other fashion forwarded to Qwest for a minimum of one-hundred eighty (180) days after date of original transmission to Qwest. QLDC further agrees to retransmit or re-forward files upon request of Qwest at no cost to Qwest. QLDC will exercise best efforts to retransmit or re-send such files no later than three days from receipt of a request from Qwest. In the event the original transmission is not able to be received by Qwest, due to transmission system failure, improperly formatted data on the file, or other reasons, QLDC shall exercise commercially reasonable efforts to immediately retransmit the file upon correction of the problem causing the failure. Notwithstanding anything in this Agreement to the contrary, where data or files are lost, destroyed or damaged by Qwest within one-hundred eighty (180) days of receipt from QLDC, and where QLDC has failed to retain a copy of the data or files forwarded to Qwest and is otherwise unable to duplicate or recreate such data or files, Qwest shall have no liability to QLDC for any losses caused by Qwest's inability to bill for the Messages contained in such data or files.

13. Indemnification

- A. Each Party (the "Indemnifying Party") will, to the extent of its negligence or default, defend, indemnify and hold harmless the other Party ("Indemnified Party") from and against any loss, cost, claim, liability, damage or expense (including reasonable attorneys' fees) to third-parties, relating to or arising out of negligence or misconduct by the Indemnifying Party, its employees, agents, or contractors in the performance of this Agreement. Notwithstanding the foregoing, to the extent QLDC submits Messages on behalf of a third-party, then Qwest's liability with respect to such Messages, shall be limited as set forth in Section 10 of the Principal Agreement and Qwest shall not indemnify QLDC for any claim of such third-party against QLDC for any amounts greater than what would have been owed by Qwest directly to QLDC.
- B. QLDC will, except to the extent of Qwest's negligence or fault, defend, indemnify and hold harmless Qwest, from and against any loss, claim, liability, fines, penalties, damages or expense (including reasonable attorney's fees) awarded to or assessed by third-parties, relating to or arising out of Qwest's billing of QLDC's Messages, including but not limited to, claims or complaints of any attorney general or law enforcement agency or authority.
- C. The Indemnified Party will notify the Indemnifying Party promptly in writing of any written claims, lawsuits or demands by third-parties for which the Indemnified Party alleges the Indemnifying Party is responsible under this Section and tender the defense of such claim, lawsuit or demand to the Indemnifying Party. The Indemnified Party also will cooperate in every reasonable manner with the defense or settlement of such claim, demand or lawsuit.

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- D. The Indemnifying Party will not be liable under this Section for settlements by the Indemnified Party of any claim, demand, or lawsuit unless the Indemnifying Party has approved the settlement in advance or unless the defense of the claim, demand or lawsuit has been tendered to the Indemnifying Party in writing and the Indemnifying Party has failed to promptly undertake the defense.
- E. Under the terms of this Agreement, Qwest may provide to QLDC certain information regarding QLDC's subscribers. Qwest is releasing to QLDC such information based on Qwest's first-hand knowledge of its own experiences with the subscriber involved. QLDC agrees to indemnify Qwest for any claim, regardless of theory, which arises against Qwest based on the release of any QLDC subscriber information from Qwest to QLDC.
- F. If QLDC promptly notifies Qwest in writing of a claim that any Services delivered by Qwest infringe upon a presently existing United States patent or copyright or Qwest receives notification of a claim that any Service delivered by Qwest infringe on a presently existing United States patent or copyright, Qwest shall defend such claim at its expense and shall pay any costs and damages that may be settled or awarded against QLDC. Qwest shall not indemnify QLDC, however, if the claim of infringement results from QLDC's alteration of the Service (in which event, QLDC shall defend, indemnify and hold Qwest harmless for any costs and/or damages associated with such claim). If, as a result of a claim or action, Services furnished are held to constitute infringement and their use is restrained or enjoined, Qwest shall in its sole discretion and expense, either 1) promptly take such action as is necessary to stay the effect of such injunction, pending a final determination on the merits of a permanent injunction; 2) within seven (7) days after such holding, commence to do the following within sixty (60) days after such holding: a) procure for QLDC the right to provide the Service; b) modify the Service to become non-infringing (providing such modification does not affect the intended use of the Service); or c) replace the Service with equally suitable, non-infringing Services, at no additional charge to QLDC.

14. Taxes

- A. Qwest shall, in conjunction with its Invoice-Based Billing Services, bill, at QLDC's direction, applicable taxes or tax-like charges imposed on or with respect to QLDC's services, including surcharges, computed and applied by QLDC, in the required format and timeframe, based on written documentation provided by QLDC, (hereinafter the above-referenced taxes and charges are collectively referred to as "Tax(es)").
- B. QLDC shall be solely responsible for the computation, reporting, and payment of all Taxes applicable to the Invoice bills issued by Qwest on QLDC's behalf in accordance with its Invoice billing requirements. Qwest shall not be entitled to retain or receive any statutory fee or share of Taxes to which the Party collecting such Taxes is entitled under applicable law. Qwest shall have no responsibility for the filing of returns or payment of Taxes.
- C. Any communications from End Users relating to Taxes shall be the responsibility of QLDC. QLDC will respond promptly to all complaints lodged by End Users regarding QLDC's treatment or display of Taxes on the bills rendered by Qwest whether those complaints are brought against Qwest or QLDC. All determinations as to the removal, addition, or Adjustment of Taxes to be billed End Users shall be the responsibility of QLDC. To the extent that Adjustments are made by QLDC with respect to Services billed by Qwest under this Agreement, Qwest shall exercise commercially reasonable efforts to calculate and apply all applicable federal, state and local taxes or tax related

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items to the Adjustment. All communications with taxing authorities regarding Taxes applicable to QLDC charges will be the responsibility of QLDC.

- D. QLDC will indemnify, hold harmless and defend Qwest from and against any liability resulting from any Taxes, penalties and interest, loss, cost, claim, liability, damage, cause of action, or expense (including reasonable attorney's fees) relating to or arising out of QLDC's failure (or alleged failure) to pay any Tax or file any return as required by law or to comply with any applicable tax laws or regulations, or relating to Qwest's obligations concerning Taxes in accordance with its Invoice billing. QLDC shall, at its option and expense (including, if required by a taxing authority, payment of any such Tax, penalty and interest prior to final resolution of the issue) have the right to seek administrative relief, a ruling, judicial review (original or appellate level) or other appropriate review (in a manner deemed appropriate by QLDC), as to the applicability of any Tax, penalty or interest, or to protest any assessment and direct any legal challenge to such assessment, but shall be liable hereunder for any such amount ultimately determined to be due. Notwithstanding the above, such indemnity is conditioned upon Qwest providing QLDC timely notification of any assessment of any additional Taxes, penalty or interest due with respect to this Invoice Billing Service. Qwest shall, when requested by QLDC and at QLDC's expense, cooperate or participate (but not control) with QLDC in any such proceeding, protest or legal challenge and if Qwest's participation is not requested by QLDC, Qwest may participate (but not control), at its own expense, in any such proceeding, protest or legal challenge.
- E. Qwest will indemnify, hold harmless and defend QLDC from and against any liability resulting from any taxes, penalties and interest, loss, cost, claim, liability, damage, cause of action, or expense (including reasonable attorney's fees) relating to or arising from Qwest's recalculation or alteration of Taxes passed to Qwest through the Invoice Billing environment, or the failure of Qwest to bill and present Taxes to the End User as such Taxes were passed to Qwest on the End User's invoice. Notwithstanding the above, such indemnity shall be conditioned upon QLDC providing Qwest timely notification of any assessment of any additional Taxes, penalty or interest due with respect to Invoice-Based Billing Services. QLDC shall, when requested by Qwest and at Qwest's expense, cooperate or participate (but not control) with Qwest in any such proceeding, protest or legal challenge and if QLDC's participation is not requested by Qwest, QLDC may participate (but not control), at its own expense, in any such proceeding, protest or legal challenge.

15. Purchase of Accounts Receivable

Qwest will purchase from QLDC its Accounts Receivable that arise from bills rendered by Qwest to End Users. The purchase of Accounts Receivable will be limited to Amounts Due QLDC (as described in Exhibit D, Section 2) when Qwest provides Services for QLDC. Qwest's purchase of QLDC's Accounts Receivable shall be with full recourse as set forth in Exhibit D.

16. Limitations Period

Claims made under the Agreement shall be subject to the following limitation periods:

- A. No claim arising from Qwest's failure to bill a Message or failure to properly bill a Message to an End User shall be asserted more than one-hundred and eighty (180) days after the Message was or should have been billed.
- B. No claim or demand under this Agreement, including demands made under the arbitration section hereof, or any other demand or claim with respect to this

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Agreement may be made or brought by either Party more than two (2) years after the date of the event that gave rise to the demand or claim except that: 1) the limitation period herein shall not apply to claims for revenue due QLDC from its End Users to the extent Qwest has collected and retained such revenue; 2) a demand or claim for indemnification under this Agreement may be made or brought by a Party for two (2) years after the accrual of the cause of action for indemnity; and 3) any claim in the nature of fraud or concealment may be brought within two (2) years of discovery of the existence of such fraud or concealment.

17. Term and Termination of Agreement

- A. This Agreement shall be effective December 1, 2004 and shall continue for thirty-six (36) months (the "Initial Term") through November 30, 2007; except that this Agreement shall not be effective with respect to the state of Washington until it is filed with the Washington Utilities and Transportation Commission ("WUTC").
- B. Either Party may request that the terms and conditions of this Agreement be renegotiated or may terminate this Agreement for convenience upon four (4) month's prior written notice to the other Party. In the case of a QLDC-initiated termination under this section, QLDC's sole and exclusive obligation for termination under this Section is to make payment of: 1) all balances due, pursuant to Section 8 of the Principal Agreement; 2) authorized charges associated with any completed or partially completed Custom Request development work; 3) any unsatisfied portion of the annual Service Commitment, pursuant to Section 7 of the Principal Agreement; and 4) the unsatisfied balance (through the Agreement's original termination date) of any remaining annual Bill Volume Commitment, pursuant to Exhibit C, Supplement C-1.
- C. Should Qwest terminate this Agreement due to a default by QLDC that has not been cured, pursuant to Section 20.A of the Principal Agreement, QLDC shall be liable for: 1) all balances due, pursuant to Section 8 of the Principal Agreement; 2) authorized charges associated with any completed or partially completed Custom Request development work; 3) any unsatisfied portion of the annual Service Commitment, pursuant to Section 7 of the Principal Agreement; and 4) the unsatisfied balance (through the Agreement's original termination date) of any remaining annual Bill Volume Commitment, pursuant to Exhibit C, Supplement C-1.
- D. At such time as this Agreement is due to expire and both Parties agree to negotiate a renewal, if such renewal is not executed by the current Agreement's expiration date, the Agreement will be extended on a month-to-month basis during which Qwest will bill QLDC at the then highest rate specified in the new Agreement for all Services provisioned beginning on the first day following the current Agreement's termination date until the end of the month the contract renewal is executed.

18. Proprietary and Confidential Information

- A. As used herein, "Confidential Information" shall mean information disclosed by one Party to the other in the course of the provision of Services.
- B. Qwest and QLDC agree to hold such Confidential Information in strictest confidence and shall use same solely for the purposes of this Agreement unless otherwise authorized in writing by the other Party. Neither Party shall disclose such Confidential Information to anyone except its employees, agents, consultants, subcontractors, lenders or investment bankers to whom disclosure is necessary for the purposes set forth in this Agreement. QLDC may disclose specific confidential information to additional parties with Qwest's written consent. The disclosing Party shall appropriately notify each such

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employee, agent, consultant and/or subcontractor that such disclosure is made in confidence and must be kept in confidence in accordance with this Agreement.

- C. In the event one Party grants the other permission to copy Confidential Information, the Party seeking such permission agrees that each such copy shall contain and state the same confidential or proprietary notices or legends which appear on the original. Nothing in this Agreement shall be construed as granting any right or license under any copyrights, inventions or patents now or hereafter owned or controlled by either Party.
- D. The obligations imposed in this Agreement shall not apply to any information that is:
 - 1. already in the possession of the receiving Party;
 - 2. or becomes publicly available through no fault of the receiving Party;
 - 3. received by a third-party free to disclose it to the receiving Party;
 - 4. independently developed by the receiving Party; or
 - 5. communicated to a third-party with express written consent of the disclosing Party.
- E. Without the prior consent of the other, neither Party shall disclose to any third person, excluding those identified in paragraph B above, the existence or purpose of this Agreement, the terms or conditions hereof, or the fact that discussions are taking place and that Confidential Information is being shared, except as may be required by law and then only after first notifying the other of such required disclosure. Furthermore, neither Party nor its agents shall reveal the other as the source of Confidential Information described in this Agreement without its express, written consent.

19. Force Majeure

- A. Neither Party shall be held liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence, such as acts of God, acts of civil or military authority, government regulations, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities, or acts or omissions of transportation common carriers (collectively referred to as "Force Majeure Conditions").
- B. If any such Force Majeure Condition occurs and results in a delay or failure in performance of any part of a Party's obligations under this Agreement for more than sixty days, the other Party may, by written notice given to the Party whose performance was delayed or who failed to perform, immediately terminate that part of this Agreement that shall be affected by such delay or failure to perform, without penalty.

20. Default

- A. Notwithstanding Sections 6.C and Section 7 of the Principal Agreement, and in addition to all other rights and remedies provided herein or at law or equity, either Party shall have the right to cancel this Agreement in whole or in part, without any further obligation to the other (excepting obligations incurred prior to the effective date of cancellation) if the other Party is in breach or default of this Agreement and such breach continues for thirty (30) days after written notification.
- B. In the event QLDC is in breach or default of this Agreement as a result of submitting Non-Regulated services/products, including, but not limited to those items addressed in Section 1.A of this Agreement and fails to cure such default within five (5) business

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days of written notice from Qwest, Qwest shall have the right to terminate this Agreement immediately.

- C. QLDC's failure to perform any of its obligations under this Agreement, including, but not limited to, any representation or warranty made by QLDC herein that is misleading or materially inaccurate, shall be deemed to be a default.
- D. A Party may cure a material breach by taking all of the following steps: (1) notifying the non-breaching Party, in writing, that the breaching Party wishes to cure the breach and continue the Agreement; (2) terminating any breaching acts, omissions, or behaviors, within five (5) business days of notification; (3) correcting any existing breaches, including, but not limited to, paying any charges due under this Agreement; and (4) providing security reasonably satisfactory to the non-breaching Party (which may or may not include the provisions set forth in Section 6.), for example, a performance bond in an appropriate amount. Any material breach must be cured expeditiously and within the thirty-day notice period.
- E. QLDC shall not submit for billing any charge for services not used or authorized by an End User and repeatedly doing so, in Qwest's sole but commercially reasonable determination, shall be deemed to be a default hereunder. Such charges on an End User bill are commonly referred to as Unauthorized Charges. For purposes of this Section 20.E, charges shall be considered "unauthorized" if, within ten (10) business days of written request from Qwest, QLDC cannot produce a written or electronic service order or letter of authorization (LOA) generated by an individual with access to the End User's telephone line.
- F. At such time as Qwest experiences high volumes of End User disputes and/or high volumes of Adjustment activity associated with specific services billed by QLDC, Qwest may, at its sole discretion: 1) notify QLDC in writing of an immediate breach of this Agreement, subject to the terms of Section 20.D; or 2) notify QLDC in writing to immediately terminate further billing on behalf of the offending service within ten (10) business days of receipt of notification.

21. Amendments; Waivers

This Agreement or any part thereof or any Exhibits hereto or documents referred to herein may be modified or additional provisions may be added by written agreement signed by or on behalf of both Parties. No amendment or waiver of any provision of this Agreement and no consent to any default under this Agreement shall be effective unless the same shall be in writing and signed by or on behalf of the Party against whom such amendment, waiver or consent is claimed. In addition, no course of dealing or failure of any Party to strictly enforce any term, right or condition of this Agreement shall be construed as a waiver of such term, right or condition.

22. Assignment

Any assignment by either Party of any right, obligation or duty, in whole or in part, or of any other interest hereunder, without the written consent of the other Party shall be void; provided, however, that such consent is not required when: (1) the proposed assignment is to be made by Qwest to any Qwest parent, subsidiary of Qwest parent, affiliate of Qwest or successor to all or substantially all of the assets or stock of Qwest; or (2) QLDC fully and unconditionally guarantees the performance by its assignee of all QLDC obligations under this Agreement. All obligations and duties of any Party under this Agreement shall be binding on all successors in interest and assigns of such Party.

23. Notices and Demands

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Except as otherwise provided under this Agreement, all notices, demands, or requests which may be given by a Party to the other Party shall be in writing and shall be deemed to have been duly given on the date delivered in person, date emailed, date faxed or deposited, postage prepaid, in the United States mail and addressed as follows:

Qwest Communications Corporation
301 W. 65th Street, Room 100
Richfield, MN. 55423

Qwest Corporation
1801 California, Room 2150
Denver, CO. 80202

Attn: Eddie Sears
Consumer Contract Services
Phone: (612) 798-2419
Email: Eddie.Sears@qwest.com
Fax: (612) 798-2451

Attn: Aaron Smith
Product and Pricing
Phone: (303) 896-6010
Email: Aaron.Smith@qwest.com
Fax: (303) 896-3300

If personal delivery is selected as the method of giving notice under this Section, a receipt of such delivery shall be obtained. The address to which such notices, demands, requests, elections or other communications is to be given by either Party may be changed by written notice given by such Party to the other Party pursuant to this Agreement.

24. Third-Party Beneficiaries

This Agreement shall not provide any person not a Party to this Agreement, any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

25. Governing Law

The substantive laws of the State of Colorado shall govern this Agreement.

26. Lawfulness of Agreement

This Agreement and the Parties' actions under this Agreement shall comply with all applicable federal, state, and local laws, rules, regulations, court orders, and governmental agency orders. If a court or governmental agency with proper jurisdiction determines that this Agreement, or a provision of this Agreement, is unlawful, this Agreement shall terminate.

27. Confidential Status

The Parties acknowledge that this Agreement contains commercially confidential information which may be considered proprietary by either or both Parties, and agree to limit distribution of the Agreement to those individuals in their respective organizations with a need to know the contents of the Agreement. The Parties further agree to seek commercial confidential status for the Agreement with any regulatory commission, with which the Agreement must be filed, to the extent such a designation can be secured.

28. Headings

The headings in this Agreement are for convenience and shall not be construed to define or limit any of the terms herein or affect the meaning or interpretation of this Agreement.

29. Entire Agreement

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This Agreement, and any Exhibits, Attachments or Supplements attached hereto, constitutes the entire understanding between the Parties and supersedes all prior understandings, oral or written representations, statements, negotiations, proposals and undertakings with respect to the subject matter hereof.

Signature Page Follows

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IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

Qwest Long Distance, Corp.

Terese Taylor
Signature

Terese Taylor
Printed Name

EVP- Wholesale
Title

10-6-04
Date

Qwest Corporation.

Rodney L. Miller
Signature

Rodney L. Miller
Printed Name

VP Finance
Title

9/30/04
Date

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DEFINITIONS

ABEC

An industry-recognized acronym that means alternate billing entity code.

Accounts Receivable

An account evidencing a legally enforceable right to payment for services rendered by QLDC and lawfully billed as charges on the Qwest End User bill.

Actual Charges

A term which is defined as all recurring or non-recurring charges incurred, after the initial implementation has occurred for QLDC's primary billing identifiers, including those Developmental Charges defined in Sections 5 and Section 14 of the Principal Agreement.

Adjustment(s)

Post-billing transactions issued for the purpose of debiting or crediting lawfully billed charges on the End User bill. Adjustments may be issued for individual charge(s) (detail transactions) or for combinations of charges (summary transactions).

Adjustment Record(s)

A term used to describe specific EMI record(s) generated by Qwest, which are utilized to report End User Adjustment activity to billing customers. Such records are generated only for Adjustments that are issued by Qwest.

Adjustment Reserve

An amount withheld from the settlement as a reserve to offset future actual End User Adjustments removed from QLDC's End User accounts.

Audiotext Service

A term that describes specific types of services where the primary purpose of the service is to provide an End User with recorded or live interactive information. Audiotext service may be accessed through a variety of dialing patterns and may or may not involve the caller paying a per-call or per-time interval charge that is greater than or in addition to the charge for the call's transmission.

Business Office Write-Off

End User accounts for which the Qwest Business Office has completed all collection activities and a final bill(s) has been issued and subsequently written off by the business office.

CARE

An industry acronym that means customer account record exchange.

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Central Region

A term used by Qwest to identify the following group of states: Arizona, Colorado, Idaho except the 676 LATA portion, Montana, New Mexico, Utah, Wyoming.

CIC

An industry-recognized acronym that means Carrier Identification Code.

Developmental Charge(s)

A term that collectively describes specific non-recurring charges, which are, incurred as a result of QLDC-initiated Custom Request work, pursuant to Exhibit B, Section II. Such charges shall apply per Custom Request Service ordered.

Eastern Region

A term used by Qwest to identify the following group of states: Iowa, Minnesota, Nebraska, North Dakota and South Dakota.

End User

A residential or business consumer who occasionally or by subscription uses QLDC's services/products, including, but not limited to, local or long distance services or any other telecommunication-related services governed by this Agreement.

Entity

A term used by Qwest to describe a "grouping" of specific QLDC services. Such groupings are created by Qwest to differentiate geography and such services as MTS for purposes of taxation, treatment and collection activities, payment allocation and Adjustments.

Exchange Message Interface (EMI)

An industry standard format used for the exchange of data between QLDC and Qwest.

Individual Case Basis (ICB)

A non-standard Services offering for which no fixed recurring or non-recurring charge has been set.

Invoice

A generic term that refers to one specific component of QLDC's Invoice Billing environment. An Invoice consists of multiple billing records, including, but not limited to, EMI 015121, 015127 and category 81 and 82 records.

Invoice Billing

A broad generic term used to describe the type of billing platform QLDC uses to bill its End Users. Such billing involves the use of industry-standard, invoice-type EMI records, including, but not limited to, 015121 Invoice records, category 43 Text records and 015124 Adjustment records.

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IXC

An industry recognized acronym that means Interexchange Carrier.

LEC Memorandum

An industry-recognized form that some service providers choose to initiate and send to Qwest for purposes of requesting Qwest issue an Adjustment against an End User account on its behalf.

LSPID

An industry acronym that stands for Local Service Provider Identification.

Mechanized Adjustments

A term used to describe QLDC-issued post-billing Adjustments submitted through the Invoice Billing environment via category 015124 EMI records.

Message

A term that describes specific EMI charge or credit records, excluding post-billing Adjustment records, which are included in a QLDC Invoice. Such billing records include, but are not limited to, EMI category 81, 82 and 015127 Invoice Billing records.

Message Phrases

A term used by Qwest that refers to QLDC-provided descriptive bill phrases that are provided within specific EMI Invoice Billing records. Such phrases are utilized to describe the Message charge/credit to the End User.

MTS

An industry recognized acronym used to describe Regulated basic toll message telephone service. Within Qwest, MTS also implies deniable Messages relating to completed telephone calls, where the primary purpose of the Message charge/credit is for the transportation of the call and not for the content of the call.

MTS-Like

A term used to describe deniable Regulated telecommunications service other than toll or MTS. Such services are billable within the QLDC Invoice. MTS-Like Messages include, but are not limited to, recurring and non-recurring charges/credits for such billable items as calling plan fees, universal connectivity fees, minimum monthly usage fees and carrier line fees.

900

A term that describes a live or recorded Audiotext program offered to the general public using the 900 service access code (SAC). This service has a dialing pattern of 900-NXX-XXXX.

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Non-Regulated

A term typically used by Qwest to describe non-deniable types of services or products. Such services cannot be submitted in the same Invoice as MTS and/or MTS-Like services, as they have unique collection, denial, Adjustment, payment allocation and Adjustment rules.

Principal Agreement

A term that collectively describes the first twenty-one (21) pages of this Agreement.

Pseudo-CIC

A term utilized by Qwest that means a Qwest-assigned internal identifier code, which is utilized for purposes of billing.

Purchase of Accounts Receivable (PAR)

The name of the monthly settlement statement that summarizes the amount due QLDC or Qwest for the Purchase of Accounts Receivable.

RTA

An acronym that means "Remove from Treatment Amount" (RTA). RTA represents a specific dollar amount at which or below which an Entity/account is removed from collection activity.

Realized Final Account Uncollectibles

Actual uncollectible amounts written off QLDC End User final bills for failure of the End User to pay lawfully billed charges.

Regulated

A term typically used by Qwest to describe deniable-type services. Such services may be for MTS or MTS-Like services which share the same collection, denial, Adjustment, payment allocation and taxation rules and may be submitted in the same billing Invoice.

TCSI

An industry term that means transaction code/status indicator record layouts utilized for incoming and outgoing transactions.

Termination Date

A date determined under this Agreement that is four (4) months after the month Qwest receives written notice of termination from QLDC, pursuant to Section 17.B of the Principal Agreement. For purposes of this Agreement, the termination date of record will always be the last calendar day of the appropriate month.

Total Billed Revenues

The billed revenues associated with QLDC's Invoices, including QLDC-calculated and billed taxes, plus or minus total applied correct charges and uncollectible post-billing Adjustments and any associated tax.

Notice

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Treatment and Collections

A term that encompasses the activities performed by Qwest on behalf of QLDC to obtain payments from End Users on past due accounts that appear in the Qwest shared-bill. Qwest shall perform such activities pursuant to the then current procedures, further described in Exhibit E of this Agreement.

Unauthorized Charge(s)

A term utilized by Qwest to describe any charges appearing on QLDC's portion of the bill that are disputed by an End User. The term Unauthorized Charges is not the same as an Adjustment reason.

Unbillable(s)

A term used to describe billing Invoices or Adjustments that cannot be billed to an End User account and are typically returned to QLDC.

Uncollectible Bad Debt Allowance

An amount withheld from the settlement as an uncollectible reserve to offset future actual uncollectible amounts written-off QLDC's End User final bills.

Weighted Average Receipt Date

A single date during a settlement month, which indicates the date that all QLDC Message revenues were calculated as having been received and processed by Qwest. The calculation is based on actual revenue and process dates of individual tapes or transmissions.

Western Region

A term used by Qwest to identify the following group of states: the 676 LATA portion of Idaho, Oregon and Washington.

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EXHIBIT B
DESCRIPTION OF SERVICES
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GENERAL TERMS AND CONDITIONS

Qwest offers numerous services listed in this Exhibit B. Qwest will provide only those services that QLDC has ordered and which are listed in Exhibit C. QLDC may request additional Services pursuant to Section 21 of the Principal Agreement.

QLDC may request modifications to the basic services described herein; however, such modifications shall be in accordance with the Custom Request Service.

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I. INVOICE-BASED BILLING SERVICES

Description

Qwest will provide Invoice Billing Services with the condition that Qwest purchases the Accounts Receivable with full recourse to the extent expressly provided under the terms of this Agreement. The following are the Service elements associated with Invoice Billing Services:

A. **Bill Production** is the provisioning of QLDC billing data to be included in the QLDC portion of the Qwest shared bill. Invoice Bill Production includes, but is not limited to, Invoice receipt editing and processing of QLDC's various Invoice Billing file, distribution to the appropriate data processing center, maintenance of accounts, print fulfillment services, remittance processing services and Treatment and Collections. Bill Production is charged to QLDC based on the total number of bills issued, per CIC/ABEC.

B. **Inquiry Service** is an optional Service that QLDC has elected for Qwest to provide on its behalf, whereby Qwest representatives handle telephone calls or correspondence from End Users who have questions/disputes about QLDC's charges/credits billed through the Qwest bill.

Qwest shall perform Inquiry Service pursuant to the then current processes, as further described in Exhibit F.

C. **Adjustments** are post-billing transactions issued by Qwest and/or QLDC, which result in a debit or credit amount applied to an End User account. Such transactions may be negotiated between QLDC and/or Qwest and QLDC's End Users. Adjustments may be issued for individual charge(s) (detail level transactions) or for combinations of charges (summary level transactions).

Qwest shall provide Adjustments pursuant to the then current processes, as further described in Exhibit F.

D. **Market Message** is an optional service whereby a QLDC-authored marketing or informational bill message targeted toward its End Users can be displayed on its portion of the bill in a pre-defined location within the Invoice. An Invoice Market Message may contain up to sixty (60) characters per line and have a maximum length of ten (10) lines.

QLDC will author and Qwest will retain final editorial judgment for each Market Message requested. Qwest will have the authority to reject any requested Market Message, which Qwest, in its reasonable judgment, determines to be in conflict with the MTS Billing Policy described in Exhibit I.

E. **Custom Market Message** is an optional service whereby a QLDC-authored marketing or informational bill message targeted toward its End Users can be displayed on its portion of the bill in a location to be mutually agreed upon by the Parties. An Invoice Market Message may contain up to sixty (60) characters per line and have a maximum length of ten (10) lines.

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II. INVOICE BILLING SERVICES Continued

- F. **Return Code 50 w/LSPID** is an optional Service whereby QLDC may receive a LSPID as part of the rejected Invoice detail, when technically feasible. Such service may be provided when Invoices are rejected due to a resale or ported number scenario
- G. **Text File Updates** provide for the acceptance, editing and implementation of an Invoice Text file within Qwest's Regional Invoice Billing (RIB) system. The Parties shall mutually agree on how frequently QLDC will send Qwest an Invoice Text File.
- H. **Invoice Builder** is a value-added Service that provides QLDC with the option of: 1) QLDC submitting non-EMI non-standard billing input files; 2) submitting non-Invoice-type EMI billing input records; and/or Qwest creating certain Invoice EMI billing records to complete QLDC's Invoices. Anyone or any combination of these Services constitutes and Invoice Builder event under this Agreement.

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II. CUSTOM REQUEST SERVICE

Description

Custom Request Service provides for the provisioning of new products, services or changes to existing products or services ("Enhancements") in response to a QLDC request. All Custom Requests will be reviewed by Qwest to determine the feasibility of implementing the request and Qwest reserves the right to deny any such request.

Where Qwest agrees to provide the Custom Request Service an estimate is then provided. All estimates shall be valid for a period of thirty (30) days from the point they are provided to QLDC. If QLDC authorizes the price in writing within the thirty (30) day period, Qwest will pursue a targeted implementation date for the project. If, upon receiving the estimate, QLDC determines not to authorize and pursue the Custom Request to implementation or fails to respond with an acceptance of the estimate within the thirty (30) day period, Qwest will consider the project unauthorized and the project will be cancelled.

All detailed time and cost estimates will be prepared based upon written specifications supplied by customer. Such estimates will include the project's estimated time and cost associated with development and recurring prices (if appropriate).

All authorized Developmental Charges will be billed to QLDC via its B&C Invoice. Upon QLDC's written authorization to perform this work on its behalf, such Developmental Charges shall be due and payable to Qwest in full within thirty (30) days of Qwest initiating implementation activities on behalf of QLDC.

All prices for Custom Requests will be determined on an Individual Case Basis, at the then current rates.

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III. MEDIA PROVISIONING SERVICE

Description

Media Provisioning is the actual method utilized to exchange billing data between QLDC or QLDC's designee and Qwest ("billing input") and between Qwest and QLDC or QLDC's designee ("billing output"). Media Provisioning input and output options currently accepted and/or originated by Qwest are identified below:

- A. Data Transmission, i.e. Network Data Mover ("NDM")
- B. Internet
- C. CMDS

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IV. CONSULTING SERVICE

Description

Consulting Service is the professional and/or technical advice and billing service support provided to QLDC. Consulting Service may include, but is not limited to: 1) audits (and the miscellaneous activities associated therewith, such as the extraction of billing data needed to perform the audit), pursuant to Section 10 of the Principal Agreement; 2) education classes; 3) assistance in QLDC business activities; 4) assistance in the preparation of a QLDC user needs document; 5) development and coordination of user specifications; and/or 6) for other such needs and applicable clerical and technical support.

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V. ASK – END USER ACCOUNT INFORMATION

Description

ASK – End User Account Information is an optional service whereby specific types of End User account information may be provided to QLDC, pursuant to the terms of Exhibit H.

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EXHIBIT C
PRICE LISTS
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I. INVOICE-BASED BILLING SERVICES
Price List

	Service Name	Unit	Price Per Unit
A.	Bill Production	Per Bill Issued	Refer to Supplement C-1
B.	Inquiry Service	Per Message Billed	\$ 0.10
C.	Adjustments:		
	1) End User Initiated/Qwest-Issued:		
	All Reasons (Except QLDC-Initiated/Qwest-Issued)	Per Adjustment Record	\$ 1.95
	2) QLDC-Initiated/QLDC-Issued (Via Mechanized EMI Record)	Per EMI Record	\$ 0.0550
	3) QLDC-Initiated/Qwest-Issued (Via LEC Memo)	Per Adjustment Record	\$ 6.75
D.	Market Message:		
	1-10 Lines	Per Message/Per Bill	\$ 0.04
E.	Custom Market Message:		
	1-10 Lines	Per Message/Per Bill	\$ 0.04
F.	Return Code 50 w/LSPID	Per Invoice Rejected	\$ No Charge
	Initial Set-Up Fee	Per Request/Per Region	\$ 500.00
G.	Text File Updates	Per File Received	\$ 13,300.00
H.	Invoice Builder Service	Per Bill	\$ 0.05
I.	End User Bill Copies:		
	1) BTN Provided by QLDC	Per Bill Provided	\$ 125.00
	2) BTN Provided by Qwest	Per Bill Provided	\$ 250.00

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I. INVOICE-BASED BILLING SERVICES
Price List – Continued

Price Application and Provisioning Parameters

Bill Production:

1. The price for Bill Production shall is documented within Supplement C-1 to this Exhibit. The price will apply per CIC/ABEC for each bill issued containing a QLDC bill Page.
2. At such time as there is a postage rate increase for pre-sorted first class mail, during the term of this Agreement, the Bill Production rates set forth herein will increase by an amount equal to thirty-three percent (33%) of the postage increase, effective with the official date of the postage increase. Qwest reserves the right to apply such increases retroactively, as appropriate, with thirty (30) days written notification to QLDC.

Inquiry Service:

1. Inquiry Service is charged per each Message billed, per CIC/ABEC.

Adjustments:

1. An Adjustment charge applies for each Adjustment Record generated by Qwest as a result of an Adjustment against an End User account. Such charges will apply in addition to the charge for Inquiry Service.
2. An Adjustment charge applies for each EMI Adjustment record issued by QLDC and sent to Qwest for billing.
3. An Adjustment charge applies for each Adjustment Record that results from QLDC issuing an LEC Memorandum to Qwest, requesting an Adjustment be issued in its behalf.

Market Message:

1. A Market Message charge applies for each bill issued containing such Message.

Custom Market Message:

1. A Custom Market Message charge applies for each bill issued containing such Message.

Return Code 50 w/LSPID:

1. When ordered after the initial implementation, the set-up fee will be applied, per QLDC CIC/ABEC, in each region where the service is established.

Text File Updates:

1. An Invoice Text File Update charge applies for each text file received and placed into live production on behalf of QLDC.

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I. INVOICE-BASED BILLING SERVICES
Price List – Continued

Price Application and Provisioning Parameters - Continued

Invoice Builder Service:

1. An Invoice Builder charge applies per bill issued, per each QLDC CIC/ABEC.

End User Bill Copies:

1. A charge will apply for each End User bill copy provided at QLDC's request.

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II. CUSTOM REQUEST SERVICE Price List

	Service Name	Unit	Price Per Unit
A.	Project Design	Per Hour	\$ 150.00
B.	Programming:		
	- Regular Time	Per Hour	\$ 135.00
	- Premium Time	Per Hour	\$ ICB
C.	Project Management, Project Lead, Subject Matter Expertise, Testing, Methods & Procedure Development, Consulting, Management Training	Per Hour	\$ 135.00
D.	Occupational Support/Training:		
	- Regular Time	Per Hour	\$ 95.00
	- Premium Time	Per Hour	\$ ICB
E.	Miscellaneous (Examples include, but are not limited to, new hardware, software, data storage copying time, etc.)	Actuals Incurred	\$ ICB

Price Application and Provisioning Parameters

1. Custom Request charges will apply based on the specific Custom Request estimated and/or implemented by Qwest.
2. A Custom Request time and cost estimate shall not be provided until such time as QLDC authorizes the charges associated with estimating the project.
3. All Custom Request charges shall be billed to QLDC in full within thirty (30) days of QLDC authorizing such charges.

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III. MEDIA PROVISIONING SERVICE Price List

	Service Name	Unit	Price Per Unit
A.	Data Transmission:		
	1) NDM (Via QLDC-Provided Facilities)	Per Record Sent/Received	\$ No Charge
	2) NDM (Via Qwest-Provided Facilities)	Per Record Sent/Received	\$ 0.0020
B.	Internet	Per Record Sent/Received	\$ No Charge
C.	CMDS	Per Record Sent/Received	\$ 0.0020

Price Application and Provisioning Parameters

1. Data Transmission charges do not apply if the facilities are provided and/or paid for by QLDC, as in the case of Network Data Mover (NDM).
2. Data Transmission charges apply when Qwest provides the dedicated or dial-up facilities from a Qwest location to a QLDC location, or its designee.
3. Data Transmission charges apply for Casual Messages that Qwest receives via the Centralized Message Distribution System (CMDS) network.
4. Data Transmission charges do not apply for the internal transmitting of data between Qwest data processing centers.

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**IV. CONSULTING SERVICE
Price List**

	Service Name	Unit	Price Per Unit
A.	Professional Expertise	Per Hour	\$ 300.00
B.	Technical Expertise	Per Hour	\$ 150.00
C.	Subject Matter Expertise	Per Hour	\$ 135.00
D.	Clerical Support	Per Hour	\$ 95.00
E.	Travel Expense	Actuals	\$ ICB
F.	Miscellaneous	Actuals	\$ ICB

Price Application and Provisioning Parameters

1. Consulting Service charges will apply based on the individual service(s) provided.
2. Consulting Service time and cost estimates shall be approved in writing prior to QLDC being billed for any such Service.

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V. ASK – END USER ACCOUNT INFORMATION
Price List

	Service Name	Unit	Price Per Unit
A.	ASK – End User Account Information	Per Request/Per Occurrence	\$ 6.50

Price Application and Provisioning Parameters

1. ASK will be charged based on each call initiated by QLDC into the ASK unit.
2. On a single ASK contact, up to three (3) working telephone numbers ("WTN's") may be researched.

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SUPPLEMENT C-1

ANNUAL BILL VOLUME COMMITMENT REFERENCE FOR QLDC

1. The standard price for MTS Bill Production Services without an annual "take or pay" Bill Volume Commitment is set forth below. The price applies for each QLDC End User bill issued, per each CIC/ABEC. Additionally, the matrix reflects current pricing and is subject to change, pursuant to Section 4.G of the Principal Agreement

Check Here If You Will Not Be Making A Bill Volume Commitment	Base Price Discount	Price Per Bill
	None	\$ 2.25

2. The standard Bill Production price is eligible to be discounted based on QLDC's election to make an annual "take or pay" bill volume commitment of at least five hundred thousand (500,000) bills annually (i.e. per calendar year) of this Agreement, pursuant to the following terms. Please note that all QLDC bills for every active CIC/ABEC will be aggregated together to meet the annual bill volume commitment. Additionally, the matrix reflects current pricing and is subject to change, pursuant to Section 4.G of the Principal Agreement.

Commitment Tier	A Check Here Will Designate QLDC's Commitment Level	Annual Bill Volume Commitment	Base Price/ Discount Earned	Bill Production Price
1		500,000 – 749,999 Bills	6%	\$ 2.12
2		750,000 – 999,999 Bills	7%	\$ 2.09
3		1,000,000 – 1,249,000 Bills	8%	\$ 2.07
4		1,250,000 – 1,499,999 Bills	9%	\$ 2.05
5		1,500,000 – 1,999,999 Bills	10%	\$ 2.03
6		2,000,000 – 2,499,999 Bills	15%	\$ 1.91
7		2,500,000 – 2,999,999 Bills	20%	\$ 1.80
8		3,000,000 – 4,999,999 Bills	22%	\$ 1.76
9		5,000,000 – 6,999,999 Bills	24%	\$ 1.71
10		7,000,000 – 7,999,999 Bills	26%	\$ 1.67
11		8,000,000 – 8,999,999 Bills	28%	\$ 1.62
12		9,000,000 – 9,999,999 Bills	30%	\$ 1.58
13		10,000,000 – 14,999,999 Bills	32%	\$ 1.53
14	X	15,000,000 – 19,999,999 Bills	36%	\$ 1.44
15		20,000,000+ Bills	40%	\$ 1.35

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SUPPLEMENT C-1

ANNUAL BILL VOLUME COMMITMENT REFERENCE - Continued

3. When QLDC elects to make an annual Bill Volume Commitment and your Bill Production volumes fail to meet the low-end number of your Commitment Tier for any calendar year, Qwest will bill the bill volume shortfall at the appropriate Commitment Tier rate, via the B&C Invoice. Qwest shall exercise commercially reasonable efforts to bill any shortfall due by the end of the second quarter of the following year.

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EXHIBIT D
ACCOUNTS RECEIVABLE SETTLEMENT TERMS
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ACCOUNTS RECEIVABLE SETTLEMENT TERMS

1. General

- A. In connection with providing Services to QLDC under this Agreement, Qwest shall purchase the Accounts Receivable of QLDC as set forth in this Exhibit.
- B. Qwest's purchase of QLDC's Accounts Receivable shall be with full recourse in accordance with Section 2 below.
- C. At the option of Qwest, Qwest reserves the right to reformat reports with respect to QLDC's Accounts Receivable statement and will provide QLDC written notification thirty (30) days prior to implementation.

2. Calculation of Amount Due QLDC/Qwest

- A. Subject to the provisions of Section 15 of the Principal Agreement, Qwest will calculate the Amount Due QLDC/Qwest in the Purchase of Accounts Receivable ("PAR") settlements each month under this Agreement, using the following formula:

The Sum of lines A through E = F

The Sum of lines F through K = L

Amount Due QLDC/Qwest = L

Where:

Line A = BILLABLE REVENUE:

This Line represents the calculation of the amount of revenue received that is billable (Billable Revenue) by Qwest. Billable Revenue is calculated by subtracting Unbillable Revenue Returned (those Messages that fail Qwest edits) from Gross Message Revenue Received.

Line B = REBILLED REVENUE:

This line represents the amount of previously billed and adjusted revenue rebilled to another End User during the settlement period.

Line C = OTHER OPERATING REVENUE BILLED:

This line represents the amount of revenue billed during the settlement period other than toll revenues. Certain taxes are considered Other Operating Revenue.

Line D = BILLED TAXES:

This line represents the amount of federal, state and local taxes calculated and billed by Qwest on behalf of QLDC during the settlement period.

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Line E = ADJUSTED AMOUNTS:

This line represents the amount of Qwest-issued Adjustments issued against QLDC charges billed to End User accounts, including Qwest-calculated taxes, as appropriate. This line is a summary of Lines E-1 (adjusted revenue amount), E-2 (federal taxes) and Line E-1 (state/local taxes) associated with such adjustments issued during the settlement period. Details regarding these Adjustments are recouped back to Customer via EMI 45 records.

Line F = SUBTOTAL:

This line represents the sum of Billable Revenues (Line A), Rebilled Revenue (Line B), Other Operating Revenue Billed (Line C), Billed Taxes (Line D) and Adjusted Amounts (Line E).

Line G = BAD DEBT RESERVE ALLOWANCE:

This line represents an amount withheld from the settlement as an uncollectible reserve to offset future actual uncollectible amounts written-off QLDC's End User final bills, pursuant to Section 4 of this exhibit.

Line H = ADJUSTMENT RESERVE ALLOWANCE:

This line represents an amount withheld from the settlement for MTS Adjustment activity, pursuant to Section 6 of this exhibit.

Line I = REALIZED FINAL ACCOUNT UNCOLLECTIBLES:

This line represents uncollectible amounts written off QLDC End User final bills for failure of the End User to pay lawfully billed charges during the settlement period.

Line J = OTHER CONTRACTED AMOUNTS:

This line, when used, represents various other billing products defined by this Agreement, or by amendments or addenda hereto.

Line K = MISCELLANEOUS:

Lines K-1 thru K3, when appropriate, represent miscellaneous adjustments or charges, which have been made to the PAR for the settlement period. An entry on any one of these lines would be accompanied by a cover letter to provide the supporting documentation.

Line K4 represents the amount of the cost of capital charge (hereinafter "cost of capital") as described in Section 3 of this exhibit. Qwest will calculate the cost of capital based on the net of Line F (Subtotal), Line G (Bad Debt Reserve Allowance), Line H (Adjustment Reserve Allowance), Line I (Realized Final Account Uncollectibles), Line J (Other Contracted Amounts) and Lines K1-through K-3 (Miscellaneous), times (X) a variable factor of one quarter of one percent (0.25%). This factor may be adjusted (up or down) during the term of this Agreement.

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Line L = AMOUNT DUE:

This line represents the amount due QLDC or Qwest for the settlement period. It is calculated by netting the PAR Statement Subtotal (Line F), Bad Debt Reserve Allowance (Line G), Adjustment Reserve Allowance (Line H), Realized Final Account Uncollectibles (Line I) and any Other Contracted/Non-B&C Services (Line J) and any Miscellaneous (Line K). A negative amount would indicate the amount QLDC owes Qwest.

- B. Separate monthly PAR settlements will be performed in each state summarized by Qwest Regions and Company Total. Qwest will provide a separate PAR for services provided to QLDC under separate terms and conditions mutually agreed upon by both Parties.
 - C. In the event that a PAR settlement for a month yields a negative Amount Due QLDC, Qwest will net that amount against any amounts due QLDC from other Qwest Regions for the same settlement period. In the event that a PAR settlement yields a negative Amount Due QLDC for the total of all Qwest Regions, QLDC shall make payment to Qwest by the due date for the full amount of all outstanding PAR settlements pursuant to Section 7 of this exhibit.
 - D. Qwest reserves the right, at its sole discretion, to deduct from the PAR (net, from any funds or proceeds due QLDC by Qwest) any amounts past due and owing Qwest for any Services provided to QLDC.
3. Calculation of Cost of Capital
- A. Qwest will pay QLDC for its accounts receivable based on an assumption that Qwest receives payments from End Users in an average of thirty-four (34) days from the date of billing ("average date to payment"). In accordance with this business practice, Qwest will calculate and apply a cost of capital charge to QLDC's PAR. As of the effective date of this Agreement, this factor will be set at one quarter of one percent (0.25%) and will be applied to the total purchased revenue amount for the settlement period.
 - B. Due to the changeable nature of the assumed "average date to payment", Qwest will exercise commercially reasonable efforts to assess the then-current "average date to payment" during the fourth (4th) quarter of 2005 and 2006. If the review determines the "average date to payment" has materially changed from the previous review period, Qwest will adjust the cost of capital factor accordingly, based on input from Qwest's Treasury Department regarding Qwest's then-current actual cost of capital expense. At such time as an adjustment to the cost of capital is made, Qwest will provide written notice of such adjustment to QLDC, via a cover letter which will accompany the first PAR settlement following the adjustment. Written notification will not be provided by Qwest when the assessment indicates the cost of capital factor should remain the same as the previous period.
4. Calculation of Uncollectible Bad Debt Reserve
- A. Effective with the first PAR Statement and each month thereafter for a period of six (6) months, Qwest will apply a factor of six percent (6%) for an Uncollectible Bad Debt Reserve (hereinafter "Bad Debt Reserve"). Such factor will be multiplied by the Subtotal (Line F) on the PAR Statement to accrue the Bad Debt Reserve for the first

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six (6) months of service. Qwest shall continue to retain the Bad Debt Reserve previously created for CIC 0236 under the previous Agreement.

- B. On an ongoing basis, Qwest will track the average uncollectible bad debt amounts on behalf of each QLDC Entity. If Qwest determines the difference between the average uncollectible bad debt amount and the Bad Debt Reserve is greater than ten percent (10%) of the Bad Debt Reserve or is greater than one hundred thousand dollars (\$100,000), such difference will be added or subtracted respectively from the Bad Debt Reserve and the adjustment will be reflected on the following QLDC PAR statement.
- C. For each additional billing Entity that is established for QLDC, a Bad Debt Reserve will be established specific to that Entity. The Allowance will be created and held in accordance with the procedures referenced above.
- D. Qwest will hold the Bad Debt Reserve in its entirety until such time as the twelve-month post-termination period expires, pursuant to Section 15 of this Exhibit.

5. Recourse of Realized Final Account Uncollectibles

On a monthly basis, Qwest will identify all QLDC End User accounts written-off by Qwest as uncollectible after a final bill has been rendered at either the account or Entity level and shall compute the realized uncollectibles. Such realized uncollectibles will be recoured to QLDC on its monthly PAR Statement. Qwest will provide QLDC documentation reflecting such Uncollectibles, by Billing Telephone Number ("BTN"), at the account or Entity level, by the 15th of each calendar month for the previous month's data.

6. Calculation of Adjustment Reserve

- A. Qwest will create and hold an Adjustment Reserve on behalf of QLDC effective with the first possible PAR settlement after the effective date of this Agreement and each month thereafter for a period of six (6) months. To initiate the Adjustment Reserve amount, Qwest will multiply the amount appearing on the Subtotal line (Line F) of the PAR settlement by a factor of six percent (6%) for the same six-month period.
- B. After the six-month period, Qwest will track QLDC's actual adjusted revenue amounts (both Qwest-issued and QLDC-issued adjusted revenue). If the difference between the average adjusted amount and the Adjustment Reserve is greater than ten percent (10%) of the Adjustment reserve or is greater than one hundred thousand dollars (\$100,000), such difference will be added or subtracted respectively from the Adjustment Reserve and will be reflected on the following QLDC PAR statement.
- C. For each additional billing Entity that is established for QLDC, an Adjustment Reserve will be established specific to that Entity in accordance with the procedures referenced above.
- D. Upon the establishment of the Adjustment Reserve, Qwest will hold such Reserve in its entirety until such time as the twelve-month post-termination period expires, pursuant to Section 15 of this Exhibit.

7. Payment Date

Notice

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- A. For the monthly PAR settlement the Payment Date for the Amount Due is based upon only billable revenue transactions that do not include QLDC End User Adjustments.
- B. For any PAR settlement, the Payment Date for the payment of the Amount Due QLDC shall be the date determined by a Weighted Average Receipt Date Calculation. This calculation is performed for all tape/transmission revenues received and processed during the settlement period. The following components are added to the tape/transmission receipt date: The average expected number of days (15 days) to End User billing plus the average expected number of days (34 days) to End User Payment.
- C. If such payment date falls on a Sunday or on a holiday which is observed on a Monday, the payment date shall be the first non-holiday day following such Sunday or holiday.
- D. If such payment date falls on a Saturday or on a holiday, which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment date shall be the last, non-holiday day preceding such Saturday or holiday.
- E. In the event there are no Message revenues received from QLDC during a calendar month or if the PAR settlement yields a negative Amount Due as described in Section 2.C of this exhibit, the payment date for the Amount Due QLDC/Qwest will be the last business day of the month following the PAR settlement month.

8. Payment Method

Any payment made to QLDC, from Qwest, or to Qwest from QLDC shall be paid by electronic funds via Automated Clearinghouse ("ACH") transfer. Payment must result in immediately available funds upon receipt by the other Party. Any portion of the Amount Due QLDC or Qwest received by QLDC or Qwest in funds that are not immediately available to QLDC or Qwest on the payment date, as defined in Section 7 above, will be subject to a late payment penalty.

9. Late Payment Penalty

- A. With respect to the PAR settlement, any amounts owing by QLDC or Qwest, which does not comply with the payment methods set forth in Section 7 above will be subject to a late payment penalty. The late payment penalty shall be the portion of the Amount Due QLDC or Qwest, as defined in Section 2, received after the Payment Date times an interest factor. The late payment penalty would result in an annual percentage rate of twelve percent (12%) to be calculated at a daily compounded rate factor of 0.000310, for the number of days from the original scheduled payment date, up to and including, the date that QLDC actually made the payment to Qwest.
- B. Any late payment resulting from bank error will not be subject to the late payment penalty provided the sending Party (Party making payment) can verify that it was not at fault. It is the responsibility of the sending Party to notify the banks involved and coordinate resolution of the discrepancy.
- C. Failure to make payment, including late charges, may be deemed a default, pursuant to Section 20 of the Principal Agreement.

10. Commercial Paper Interest Rate

Notice

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Except for the provisions of Section 8 of the Principal Agreement and Section 7 above, any amounts owed by QLDC or Qwest may be subject to the time value of money interest rate. The time value of money interest rate will be represented by the Federal Reserve AA dealer commercial paper rate as of the last workday of the appropriate month for ninety (90) day commercial paper.

11. Notification of Disputed Accounts Receivable Amount

Should either Party dispute any portion of the amount due on the PAR, said Party shall notify the other Party in writing of the nature and basis of the dispute within a reasonable period of time from the date of discovery of that which gave rise to the dispute. The substantiated claim should be provided by the claiming Party with sufficient detail to allow investigation by the other Party.

12. Payment of Disputed Accounts Receivable Amount

Should a PAR dispute not be resolved by the Payment Date, the PAR settlement amount shall be due and payable in full as described in Section 7 above. Payment of the PAR Settlement does not preclude the claiming Party from its right to have claim against the other Party for reimbursement until the dispute is resolved.

13. Ultimate Settlement of Disputed Accounts Receivable Amount

- A. In the event that either Party files a substantiated claim, the receiving Party will have thirty (30) days from the notification date, or other mutually agreed period, to acknowledge receipt of the claim and inform the notifying Party of the claim status. Should the claim, in whole or in part, ultimately be resolved in favor of the claiming Party, that Party shall be entitled to a refund, with interest, from the other Party to the extent the claim was substantiated. The amount of said refund, including interest, shall be an amount equal to the substantiated claim amount plus interest calculated using the Commercial Paper Interest Rate, set forth in Section 9 above.
- B. If the claim is received within six (6) months of the PAR settlement date, the interest will be calculated by applying the Commercial Paper Interest Rate set forth in Section 9 above, from the PAR settlement payment date through the claim resolution and remittance date.
- C. If the claim is received six (6) months or more after the PAR settlement date, the interest will be calculated by applying the Commercial Paper Interest Rate, set forth in Section 9 above, from the date the claim is received through claim resolution and remittance date.
- D. Payment must result in immediately available funds on the Payment Date. The total amount of the claim shall be paid no later than thirty-one (31) business days after written notice to the claiming Party that the claim has been resolved.

14. Retention of Supporting Data Concerning Disputed Amount

Both Parties shall retain such detailed information as may reasonably be required for resolution of the disputed amount during the duration of the dispute.

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15. End of Agreement Settlements

At such time as QLDC elects to discontinue submitting Invoices for billing and/or this Agreement is terminated, Qwest will prepare a PAR Statement for an additional twelve-month period following the termination period (also known as "cessation period"). Qwest will hold in its entirety the Bad Debt Reserve and the Adjustment Reserve for the duration of the twelve-month period, after which time the Bad Debt Reserve and Adjustment Reserve will be used to offset settlement amounts due. If, during the final twelve (12) months, an amount due Qwest is not covered by the Bad Debt Reserve and Adjustment Reserve, QLDC agrees to pay the amount due Qwest by the payment due date, in accordance with Section 7 above. If, at the end of the final twelve (12) months, an amount remains in either the Bad Debt Reserve or the Adjustment Reserve, Qwest agrees to pay the amount due QLDC by the payment due date, in accordance with Section 7 above.

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EXHIBIT E
TREATMENT AND COLLECTION POLICY
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Notice

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TREATMENT AND COLLECTION POLICY

1. General

This Exhibit E sets forth a general overview of treatment and collection activities performed by Qwest on behalf of QLDC. All Treatment and Collection activities shall be governed by the regulatory rules required by the appropriate jurisdiction. Notwithstanding Section 21 of the Principal Agreement, Qwest may, in its sole discretion, modify the operational procedures described in this Exhibit. All changes required by regulatory authorities will be made in accordance with the rulings of the regulatory authority.

2. End User Bill

- A. The End User bill will indicate the previous balance and the total amount owing at the account level.
- B. The End User bill will identify a "pay by date" for payment of the total amount owing on an account level.

3. Live Treatment and Collections

- A. Live treatment decision criteria for a given End User account is the same for all billing and collection customers, regardless of the restriction capabilities - Entity Specific Denial, Full Toll Denial, Full Service Denial, as those terms are described in this Section. End User accounts will be considered treatable when the Remove from Treatment Amount ("RTA") has been exceeded. The RTA shall vary dependent upon End User customer risk or non-risk credit classification as determined by Qwest.
- B. Treatment and denial activity is dependent upon the regulatory requirements of each state and technical capabilities. Sections 4 through 7, following, describe the different kinds of treatment and denial activities used by Qwest.
- C. Denial activity for purposes of this Agreement requires the participation of both QLDC and Qwest. When notification is given that an End User account should be blocked, QLDC is responsible for initiating such blocks. When technically and legally feasible, Qwest may also initiate a block within the network.

4. Entity-Specific Treatment

- A. Entity Specific Treatment is initiated when a customer's charges on an End User account exceed its established RTA.
- B. A Deny Notice is generated to the End User when an Entity(s) RTA has been exceeded on a given End User account. All Entities will be displayed on the same Deny Notice and only one Deny Notice is issued to an End User in a billing month.
- C. Entity-Specific Denial
 - 1. Entity-Specific Denial (ESD) requires QLDC to be entirely responsible for all blocking functions relating to accessing QLDC's network of services. ESD does not involve any blocking within the Qwest network.

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2. Qwest shall follow its Treatment and Collection procedures to the point of ESD. At such time, Qwest will use commercially reasonable efforts to provide the ESD notification to QLDC within twenty-four (24) hours.
 - a. Upon receipt of ESD information, QLDC shall exercise commercially reasonable efforts to block the End User's access to QLDC's network of services within twenty-four (24) hours. Additional activities QLDC shall initiate include, but are not limited to, cancellation of any QLDC-issued calling cards and all recurring and/or non-recurring charges. QLDC shall also exercise commercially reasonable efforts to discontinue sending further billing to Qwest at this time.
 - b. When ESD has been invoked, Qwest shall continue treatment on QLDC's portion of the account. Treatment may include issuing Entity final bills and performing the associated collection functions, as appropriate.
 - c. Qwest will reject and return all Invoices where the Message dates within the Invoice are dated five (5) or more days after the ESD effective date.
 - d. Qwest will exercise commercially reasonable efforts to notify QLDC to restore service to the End User within twenty-four (24) hours after the account is made current and removed ESD status.
 - e. Qwest will reject and return all Invoices received on accounts where QLDC's portion of the account has been finalized following an ESD.

5. Group Treatment

- A. Group Treatment is initiated, in specific states, when a group of comparable customer charges for one or more customers exceed the group RTA.
- B. Group Treatment shall be used for QLDC's End User Accounts where approved by state regulatory rules and where technically feasible.
- C. QLDC cannot elect to be exempt from Group Treatment.
- D. A Deny Notice is generated to the End User when the group RTA criteria has been exceeded on a given End User Account. All Entities will be displayed on the same Deny Notice and only one Deny Notice is issued to an End User in a billing month.
- E. Full Toll Denial

1. Full Toll Denial (FTD) is the Qwest restriction of direct dialed and alternate billed access to all carrier networks (excluding 500 and 800 dialing) without restricting access to the local network. When FTD is invoked, QLDC is also expected to restrict End User access to its own network of services.
2. Qwest shall follow its treatment and collection procedures to the point of FTD. At such time, Qwest will use commercially reasonable efforts to provide the FTD notification to QLDC within twenty-four (24) hours, if QLDC is the pre-subscribed (PIC'd) IXC on the End User Account or subscribes to Broadcast, as referenced in Section 9 of this exhibit.

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3. Upon receipt of FTD notification, QLDC shall exercise commercially reasonable efforts to block the End User's access to QLDC's network of services within twenty-four (24) hours. Additional activities QLDC shall initiate include, but are not limited to, cancellation of any QLDC-issued calling cards and all recurring and/or non-recurring charges. QLDC shall also exercise commercially reasonable efforts to discontinue sending further billing to Qwest at this time.
 4. Qwest will reject and return all Invoices where the Message dates within the Invoice are dated five (5) or more days after the FTD effective date.
 5. Qwest will use commercially reasonable efforts to notify QLDC to restore service to the End User within twenty-four (24) hours after the account is made current and removed from FTD if QLDC is the PIC'd IXC on the End User Account or subscribes to Broadcast.
 6. Qwest will reject and return all Invoices received on accounts where QLDC's portion of the account has been finalized following a FTD.
6. Restricted Service
- A. Restricted Service is the Qwest restriction of direct dialed and alternate billed access to all carrier networks (excluding 500 and 800 dialing) without restricting access to local service. When Restricted Service is invoked, QLDC is also expected to restrict End User access to its own network of services. Restricted Service is utilized in specific states, where approved by state regulatory rules.
 - B. Qwest shall follow its then current procedures to determine when Restricted Service is appropriate. When utilized, Qwest will use commercially reasonable efforts to provide Restricted Service notification to QLDC within twenty-four (24) hours, if QLDC is the pre-subscribed (PIC'd) IXC on the End User account or subscribes to Broadcast.
 - C. Within twenty-four (24) hours of receipt of the Restricted Service notification, QLDC shall exercise commercially reasonable efforts to block the End User's access to QLDC's network of services. Additional activities QLDC shall initiate include, but are not limited to, cancellation of any QLDC-issued calling cards and all recurring and/or non-recurring charges. QLDC shall also exercise commercially reasonable efforts to discontinue sending further billing to Qwest at this time.
 - D. Qwest will reject and return all Invoices where the Message dates within the Invoice are dated five (5) or more days after the Restricted Service effective date.
 - E. Qwest will use commercially reasonable efforts to notify QLDC within twenty-four (24) hours, when Broadcast reporting is provided, when Restricted Service has been removed from the account.
 - F. Qwest will reject and return all Invoices received on accounts where QLDC's portion of the account has been finalized after a toll restriction has occurred.
7. Account Level Treatment
- A. Account Level Treatment is initiated when total account charges, including local service, exceed the account level RTA.

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- B. A Deny Notice is generated to the End User when the account level RTA has been exceeded on a given End User. The Deny Notice identifies the total amount owing for the account.
- C. Full Service Denial
1. Full Service Denial ("FSD") is the Qwest restriction of access to all telephone network services when the combined charges for all entities, including local service charges, exceed the account RTA. When FSD is invoked, QLDC is also expected to restrict End User access to its own network of services.
 2. Qwest shall block the End User using FSD on behalf of QLDC, unless prohibited by state regulatory rules. Qwest will use commercially reasonable efforts to provide the FSD notification to QLDC within twenty-four hours, when QLDC is the PIC'd carrier on the End User Account or subscribes to Broadcast.
 3. Upon receipt of FSD information, QLDC shall exercise commercially reasonable efforts to cancel any QLDC-issued calling cards and all recurring and/or non-recurring charges within twenty-four hours or within applicable state regulatory guidelines if greater. QLDC shall also exercise commercially reasonable efforts to discontinue sending further billing to Qwest.
 4. Qwest will reject and return all Invoices where the Message dates within the Invoice are dated five (5) or more days after the FSD effective date.
 5. Qwest will use commercially reasonable efforts to notify QLDC to restore service to the End User, within twenty-four hours, after the account is made current and removed from FSD, as appropriate, if QLDC is the PIC'd IXC on the End User Account or subscribes to Broadcast.
 6. Qwest will reject and return all Invoices received on accounts where QLDC's portion of the account or the entire account has been finaled following a FSD.

8. PIC Change Rejects

Qwest will reject all PIC change requests on accounts in denial status, whether due to non-payment of the same IXC's or another IXC's delinquent charges.

9. Notification of Denial/Restoral

- A. Qwest shall exercise commercially reasonable efforts to notify QLDC when an End User should be restricted from or reinstated to receive access to QLDC's network of services, due to collection-initiated reasons. Such notification will be provided through specific types of CARE TCSI records, when technically feasible, through a mutually agreed upon medium.
- B. QLDC may receive collection-initiated FTD, FSD, ESD and Restricted service denial and restoral activity through Basic and Broadcast CARE TCSIs which can be obtained by accessing a proprietary Qwest website or sent via NDM.
- C. Upon Qwest notification of a collection-initiated denial, QLDC shall have the sole responsibility of blocking the End User's access to its network of services within twenty-four (24) hours.

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- D. Upon Qwest notification of a collection-initiated restoral, QLDC shall have the sole responsibility of reinstating the End User's access to its network of services.

10. Payment Allocation

- A. End Users shall have the right to direct application of partial payments to specific entity amounts due. In the absence of such designation, Qwest shall apply partial payments to the receivables using the then current methods and procedures or in accordance with state or federal regulatory rules as described in Section 10.B below.
- B. In the event state or federal regulatory rules direct Qwest to use another method for designating End User partial payments, QLDC understands and agrees that Qwest shall comply with such regulatory direction.

11. End User Deposits

- A. At the time of a new connect request, Qwest may, at its sole discretion, request a deposit on new End User accounts on behalf of the presubscribed long distance provider, when the End User is identified to be a known bad credit risk and state regulatory rules permit.
- B. At the time of a new connect request, if Qwest determines an End User has unknown credit, Qwest, at its sole discretion, may collect a deposit on behalf of the presubscribed long distance provider when: (1) directed to do so by such provider and (2) where state regulatory rules permit.
- C. Qwest may request a deposit, at its sole discretion, on existing QLDC accounts when such accounts have been denied for collection-initiated reasons. Such deposits will be collected prior to the restoral of service. Qwest may waive such deposits, if in the sole judgement of Qwest, such allowance should be given. In this situation, deposits will not be waived based on direction from QLDC.
- D. Qwest may request a deposit, at its sole discretion, on existing QLDC accounts, at such time as Qwest determines the current QLDC deposit amount is not sufficient.

12. Final Treatment and Collections

- A. All final treatment is mechanized and each Entity or account that is finalized will be treated until such time as the Entity or account final bill is paid or written off. Qwest may elect to refer any Entity or account final bill to an outside collection agency, using the then current collection process.
- B. Once an Entity or an account has gone through Qwest Business Office Write-off, any Invoices submitted by QLDC for billing will be rejected as Unbillable.

13. Bankruptcy

- A. Qwest may, in its sole discretion, file proofs of claim at the End User Account level that could include QLDC charges.
- B. Qwest shall not represent QLDC in any hearings, creditors' committee meetings or other court matters regarding the filed proofs of claim.

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EXHIBIT F
INQUIRY AND ADJUSTMENTS
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Notice

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INQUIRY AND ADJUSTMENTS

1. General

This Exhibit F sets forth a general overview of Inquiry and Adjustment activities performed by Qwest on behalf of QLDC as a service to its End Users. All Inquiry and Adjustment activities shall be governed by the regulatory rules required by the appropriate jurisdiction. Qwest may, in its sole discretion, modify the operational procedures described in this Exhibit. All changes required by regulatory authorities will be made in accordance with the rulings of the regulatory authority. Any additional Inquiry and Adjustment Service not described below will constitute a Custom Request, as described in Exhibit B, Section II.

2. Election of Qwest-Provided Inquiry Service

- A. QLDC has elected for Qwest to provide Inquiry on its behalf under this Agreement, as further indicated in the following matrix:

Type of Inquiry	Provided By Qwest	Provided by QLDC
MTS Inquiry	X	

- B. In the course of providing Inquiry on QLDC's behalf, Qwest will print a toll free number, terminating to a Qwest representative, on the QLDC portion of the bill.

3. Adjustments with Qwest-Provided Inquiry

The following Adjustment procedures shall apply as part of providing Inquiry Service for QLDC's accounts:

- A. At such time as an End User contacts Qwest to dispute charge(s) on the QLDC portion of the bill, Qwest will make every attempt to sustain the charge. If the End User refuses to pay such charge(s), Qwest will adjust the charge(s), including Qwest calculated taxes, as appropriate.
- B. When such Adjustments are issued, the End User will be further advised that the adjusted charge(s) may not be forgiven by QLDC and QLDC has the right to block the End User's access to QLDC's network or pursue other types of collection activity (i.e. through a collection agency). Qwest will continue to pursue collection action on the remaining treatable balance of the account.
- C. In the event an End User disputes a portion of a charge billed by QLDC on the bill, Qwest may negotiate a partial Adjustment, including taxes, on behalf of QLDC and an Adjustment charge shall apply.
- D. In the event an End User disputes the rate they were charged by QLDC, due to incorrectly applied discounts or rates, and such dispute results in Qwest re-rating the Message(s), an Incorrect Rate Adjustment will be issued and an Adjustment charge shall apply.

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- E. In the case of obvious fraud or abuse by the End User, Qwest reserves the right to refuse to adjust the charge(s) and to treat the End User on an individual case basis, up to and including denial.
- F. In the case of Unauthorized Charges billed by QLDC, Qwest reserves the right to adjust the charges.

4. Charges for Services

The application of charges associated with Inquiry and Adjustment Services are described in Exhibit C, Section I.

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EXHIBIT G
MTS BILLING POLICY
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Notice

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MTS BILLING POLICY1. General

- A. The MTS Billing Policy (hereinafter referred to as the "Policy" – Supplement G-1 attached hereto and incorporated herein) applies to all Billing Services that bill within QLDC's MTS portion of the Qwest shared bill.
- B. To the extent of any conflict or inconsistency between the Agreement and this Exhibit, the provisions of this Exhibit shall control. To the extent of any conflict or inconsistency between the Agreement or this Exhibit and any Supplements to this Exhibit, the Supplements shall control.

2. Responsibilities of QLDC

- A. QLDC agrees to submit to Qwest only those Invoices, Messages, Text and/or Market Messages, which comply with the Policy.
- B. QLDC agrees to submit to Qwest Text Phrases, informational and promotional bill phrases and Market Messages for approval prior to billing. When technically feasible by Qwest, approval of all Message Phrases will be required as well.
- C. QLDC agrees to comply with the Policy, as identified in Supplement G-1 of this Exhibit.

3. Default

- A. In the event of one Policy infraction, and at the sole discretion of Qwest, QLDC may cure such infraction in accordance with the terms of Section 20 of the Principal Agreement.
- B. Notwithstanding the provisions of Section 20 of the Principal Agreement, Qwest reserves the right to terminate QLDC's Agreement, without cure period, upon thirty (30) days' notification, in the event of a second notification involving the same Policy infraction.
- C. Notwithstanding the provisions of Section 20 of the Principal Agreement, Qwest reserves the right to terminate QLDC's Agreement, without cure period, upon thirty (30) days' notification, in the event of a third notification involving different types of Policy infractions.

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SUPPLEMENT G-1
MTS BILLING POLICY

The MTS Billing Policy (hereinafter referred to as the "MTS Policy") applies to all Billing Services that bill within a customer's MTS portion of the Qwest shared bill. The MTS Policy shall be inclusive of the following:

- ◆ deniable regulated toll message telephone service ("MTS") Messages;
- ◆ MTS-Like telecommunication service Messages;
- ◆ Message phrases;
- ◆ Informational and promotional bill phrases (hereinafter "Text Phrases"); and
- ◆ Market Messages.

The MTS Policy is intended to supplement the terms and conditions of the Billing and Collections Services Agreement (hereinafter referred to as "Agreement").

This MTS Policy is intended to provide specific guidelines and standards for customers, with the expectation that customers shall exercise commercially reasonable efforts to ensure that:

1. Messages containing charges/credits appearing in the Qwest shared bill:
 - 1.1 are understandable to the End User;
 - 1.2 are not generated as a result of misleading marketing practices;
 - 1.3 are not contrary to accepted, regulated or legislated standards of business practice;
 - 1.4 do not cause harm to reputable businesses that are serving the public; and
 - 1.5 are displayed on the bill in such a way that all telephone numbers dialed by the End User to complete a call are identified, including, but not limited to, telephone numbers which access service platforms via 1-5XX, 1-7XX and 1-8XX dialing patterns as well as the final terminating number.
2. Text, informational and promotional bill phrases and Market Messages appearing in the Qwest shared bill are approved by Qwest and:
 - 2.1 are understandable to the End User;
 - 2.2 are not generated as a result of misleading marketing practices;
 - 2.3 are not contrary to accepted, regulated or legislated standards of business practice;
 - 2.4 do not cause harm to reputable businesses that are serving the public; and
 - 2.5 do not directly compete with an offering of Qwest.
3. In addition, the Policy is intended to ensure that customer:
 - 3.1 deals with End Users with the highest standards of honesty, integrity, and fair dealing; and
 - 3.2 will not discredit, dishonor, reflect adversely upon, or in any manner injure the reputation of Qwest or the Services covered in the Agreement and the quality image associated with Qwest or such Services.
4. Qwest reserves the right to notify customer of Breach of Agreement, with thirty (30) days right to cure, due to any of the following activities:

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- 4.1 customer submits Messages for Non-Regulated services or products, including but not limited to, those services cited in paragraph 1.B of the Principal Agreement;
- 4.2 customer has an established history of using deceptive or fraudulent marketing practices that result in a change to the End User's preferred carrier without the subscriber's knowledge or explicit authorization;
- 4.3 customer uses marketing practices that do not provide clear and comprehensive information to the End User regarding (i) the company who will be the preferred carrier, (ii) the rate structure the End User will receive, and (iii) any additional charges/credits that will be billed in the customer's MTS section of the Qwest shared bill;
- 4.4 customer (when acting as a reseller of long distance services) fails to advise the End User of:
 - A. Who will be its Primary Interexchange Carrier (PIC) of record and, as a result, what customer name will appear on the bill pages within the Qwest shared bill; or
 - B. The name of the reseller or carrier selected to provide the long distance services on its behalf; or
 - C. How to identify the reseller charges/credits within the Qwest shared bill.
- 4.5 customer fails to provide Qwest with the actual service provider's identity for purposes of displaying on the customer's portion of the Qwest shared bill.
- 4.6 customer uses the Qwest brand, Company name, products/services or an implied relationship to Qwest, without authorization.
- 4.7 customer fails to adhere to Federal or State, Regulatory or Legal rules, guidelines or laws. This includes, but is not limited to, certification as required by State and/or Federal bodies or proper verification of customer's request for telecommunications service.
- 4.8 customer fails to provide a toll free number on the End User bill for purposes of providing access to live personnel who will provide prompt and efficient responses and resolution of End User inquiries as well as providing adequate facilities and personnel to handle such inquiries.
- 4.9 customer's billing is the subject of an unacceptable number, as defined by Qwest, of End User complaints.
- 4.10 customer utilizes Message descriptions or company names that are deceptive, misleading, confusing to the End User or are against Qwest Policy. Such Policy includes, but is not limited to Message descriptions and/or company names that:
 - A. Violate existing legal or regulatory restrictions; or
 - B. Are misleading, unclear, an invasion of privacy, degrading, libelous, unlawful, profane, obscene, pornographic, in bad taste, an infringement of a trademark, trade name or copyright belonging to others.

Notice

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It is meant for use by authorized representatives of Qwest and QLDC only.

- 4.11 customer utilizes Text, Informational and Promotional Bill Phrases and/or Market Messages that are deceptive, misleading, confusing to the End User or are against Qwest policy. Such Policy includes, but is not limited to Text, Informational and Promotional Bill Phrases and/or Market Messages that:
- A. Violate existing legal or regulatory restrictions; or
 - B. Are misleading, an invasion of privacy, degrading, libelous, unlawful, profane, obscene, pornographic, in bad taste, an infringement of a trademark, trade name or copyright belonging to others.
- 4.12 customer bundles charges/credits in such a way that makes it unclear to the End User what the charge/credit actually includes.
- 4.13 customer fails to comply with the guidelines/practices described in Sections 1 – 3 of this Supplement.

Qwest reserves the right to revise or append the MTS Policy upon thirty (30) days written notification to QLDC.

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Exhibit H
ASK END USER ACCOUNT INFORMATION
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ASK END USER ACCOUNT INFORMATION

1. General

- A. With ASK End User Account Information service, Qwest will provide specific account information ("ASK") on QLDC's End User accounts, as described in Supplement H-1 to this Exhibit (ASK Available Account Information) and attached hereto. ASK consists only of factual account detail based on information which resides in the Qwest database that is "current" at the time of QLDC's call into the ASK unit. For purposes of this Exhibit the term "current" is defined as no more than twelve (12) months prior to the date the call is received by the ASK unit.
- B. Under no circumstances will QLDC refer its End Users directly to the ASK unit nor shall the End User be included with QLDC on any calls into the ASK unit.
- C. Each ASK call will be limited to no more than three (3) separate End User account inquiries on the same call.
- D. ASK may be requested only by authorized employees of QLDC. QLDC effectuates ASK by dialing the Qwest-provided ASK 800 number and providing QLDC's ID and password to the ASK unit representative. Upon QLDC's providing the applicable account number(s), the requested information is supplied to QLDC. ASK is not available by fax or batch.

2. Election of ASK Service

QLDC has elected not to purchase ASK Service(s) as indicated below:

Service Name	A Check Here Indicates QLDC Is Ordering ASK Service	A Check Here Indicates QLDC Is Not Ordering ASK Service
ASK End User Account Information		X

3. Restrictions on Use of ASK

- A. ASK will not be used:
1. For any purpose not described in this Exhibit;
 2. To establish a database for resale purposes; and/or
 3. For the purposes of marketing, selling, publishing, licensing, assigning or releasing ASK.
- B. No End User or three-way calls are permitted into the ASK unit.
- C. ASK is "Proprietary Information" as defined in Section 18 of the Principal Agreement.
- D. QLDC will not use non-published and non-listed information in violation of any tariff, state PUC rule or state or federal law limiting such use. In addition, non-published and

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non-listed telephone numbers will not be disclosed by QLDC to anyone other than its employees or agents with a need-to-know as required to fulfill its obligations under this Agreement. QLDC may provide non-published and non-listed telephone numbers to agents only if it secures the agent's written Agreement to be bound by the terms of this Agreement.

4. Charges

When ordered, ASK will be charged in accordance with Exhibit C, Section V.

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SUPPLEMENT I-1

ASK AVAILABLE ACCOUNT INFORMATION

When ASK is ordered by QLDC, Qwest will provide specific End User account information as outlined below:

GENERAL ACCOUNT DATA

(Available to All Third-Party Billing Service Providers)

End User Cus Code
Dates Service was established or disconnected
Billing Name
Billing Address
Billing Date
Related Accounts (for listed accounts only)
Additional lines (for listed accounts only)
Remote Call Forwarding (RCF) Numbers (for listed accounts only)
Class of Service (business or residence designation only)
Reason for Disconnect
Verification of Inter-LATA toll restrictions/toll denial status (yes or no only)
Verification of existence of Qwest Calling Card (dates issued or canceled)
Calling patterns (Inter-LATA calling only)

THIRD-PARTY BILLING CUSTOMER-SPECIFIC DATA

Deposit Information
Payments
Adjustments
Entity Final Bill
Treatment History
Verification of Entity's Toll Denial/Restriction status (yes or no only)

OTHER TYPES OF DATA

(Available Only to the Third-Party Presubscribed IXC of Record)

Credit Class
Previous Service Details
Order Activity (completed orders only)
Social Security Number
Presubscribed IXC-Specific Notes

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