

**Qwest Corporation** 

1600 7th Avenue, Room 1506 Seattle, Washington 98191 (206) 345-1568 Facsimile (206) 343-4040

Mark S. Reynolds Assistant Vice President Public Policy & Regulatory Affairs

March 29, 2011

Mr. David Danner, Executive Director and Secretary Washington Utilities and Transportation Commission P.O. Box 47250 Olympia, Washington 98504-7250

Attn: Betty Erdahl

RE: WAC 480-120-375 Affiliated Interest Agreement

Dear Mr. Danner:

In accordance with WAC 480-120-375, Qwest Corporation is filing notification of the enclosed affiliated interest agreement between Qwest Corporation (QC) and CenturyLink. This is a new agreement entitled Master Consulting Services Agreement, including Addendum No. 1. Also enclosed is a verified statement.

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

Very truly yours,

for Mark Reynolds

oyer MDonald

**Enclosures** 

#### ADDENDUM NO. 1

#### TO

## MASTER CONSULTING SERVICES AGREEMENT

This Addendum No. 1 to the Master Consulting Services Agreement ("the Agreement") by and between Century Tel Service Group, LLC, and Qwest Corporation is effective as of October 1, 2010.

WHEREAS, CenturyTel Services Group, LLC ("Customer") and Qwest Corporation ("Consultant") entered into a Master Consulting Services Agreement effective as of September 10, 2010; and

WHEREAS, both Customer and Consultant recognize that Exhibit A to the Agreement does not include all applicable billing rates; and

WHEREAS, both Customer and Consultant agree that an additional billing rate should be included in Exhibit A;

THEREFORE, the parties agree as follows:

The rates listed in Exhibit A shall include the following as an additional rate that may be charged by Consultant:

Onshore development, support and other functions provided by employees temporarily based in the U.S. (landed-offshore employees).

Rate: USD\$65 per hour

CenturyTel Service Group, LLC

By: Renée C. Dowis

Title: MgR Sourcing
Date: Nov 8,2010

Name: Harsch Bhatnagar

Title: Vice President - IT

Date: 2 NOV. 2010

#### MASTER CONSULTING SERVICES AGREEMENT

This MASTER CONSULTING SERVICES AGREEMENT (the "Agreement") is effective as of September 10, 2010, by and between CenturyTel Service Group, LLC, a Louisiana limited liability company having an office at 100 CenturyLink Drive, Monroe, Louisiana 71205, USA ("Customer" or "Company"), and Qwest Corporation ("Consultant" or "Qwest"), a Colorado corporation.

#### RECITALS:

WHEREAS, Customer has determined to use the Consultant for various information technology services to be rendered from Consultant's locations and, if specified by Customer, at Customer's locations;

WHEREAS, Consultant has expertise in areas related to the business of Customer and is in the business of providing professional services with regards to these areas of expertise; and

WHEREAS, Consultant desires to provide, and Customer desires to purchase Consulting Services;

THEREFORE, the parties agree as follows:

#### ARTICLE I

## DEFINITIONS

In addition to terms otherwise defined herein, the capitalized, bolded terms listed below shall have the following meanings:

"Affiliate" means an entity, directly or indirectly, Controlling, Controlled by or under common Control with a party, or any Affiliate that is subsequently divested.

"Carrier Proprietary Information" or "CPI" means carrier information protected by Section 222 of the Telecommunications Act of 1996.

"Company Data" means all information collected or developed by (a) Company or a Company Affiliate regarding Company customers or (b) Consultant regarding Company customers (but only in their capacity as Company customers), including, under each of the

clauses (a) and (b) of this definition, location-based information, phone or other identification numbers issued to Company customers, electronic serial numbers, Company customers' personalization information and automatic number identification information, and CPNI and CPI, as those terms are defined in Section 222 of the Telecommunications Act of 1996.

"Consulting Services" – shall mean those services provided by Consultant and its personnel assigned to Customer in accordance with an approved Statement of Work (Exhibit A) issued under this Agreement for services.

"Control" means the power to vote 50% or more of the voting interests of an entity or ownership of 50% or more of the beneficial interests in income or capital of an entity.

"Customer Proprietary Network Information" or "CPNI" means customer information as defined in Section 222 of the Telecommunications Act of 1996 and 47 C.F.R. Section 64.2001-64-2009.

"Damages" means any and all damages, fines, penalties, deficiencies, losses (including diminutions in value), liabilities (including settlements and judgments), costs and expenses (including interest, court costs, fees and expenses of attorneys, accountants, and other experts and professionals or other fees and expenses of litigation, or other proceedings, or of any claim, default, or assessment).

"Development Environment" - shall mean any devices, programming or documentation, including compilers, "workbenches", tools, and higher-level (or "proprietary") languages, used by Customer for the development, maintenance and implementation of the Object Code, Source Code and/or Documentation.

"Documentation" - shall mean user manuals and other written materials that relate to the Source Code, including materials useful for design (e.g., logic manuals, flow charts, schematics and principles of operation) and a reasonably complete description of the Development Environment.

"Indemnitee" means each party and its Affiliates and their respective directors, officers, agents and employees who may be entitled to indemnification pursuant to Section 4.15 and/or Section 4.16.

"Intellectual Property" - shall mean patents and all filed, pending or potential applications for patents, trade secrets, copyrights, trademarks, trade names and all other similar rights.

"Pricing Schedule" - shall mean the then current prices of Consultant, by discipline, activity, or other appropriate breakdown or designation, and as agreed to in writing by Consultant

and Customer. In the absence of any Agreement on prices, the Pricing Schedule shall be the most recently published prices of Consultant that have been provided to Customer.

"Security Standards" means commercially reasonable security features in all material hardware and software systems and platforms that Consultant uses to access Company's Confidential Information, including ISO/IEC 27002:2005, as that standard or its successor standards may be amended.

"Software" – shall mean the set of software programs licensed by Licensee in computer readable form a part of this Agreement. Software includes, but is not limited to, platform software (object code), development models (source code) and all-optional software integrations or utilities, which may define the operating environment. Software also includes all additions, corrections, enhancements, modifications, and revisions, which facilitate the use of the Software.

"Training" – shall mean imparting of any technical training in the area of Development, Design, Implementation, Planning or any services which will help the customer in using the services of its engineers. Imparting of training on communication, presentation or any other relevant training in the area of Customers business which shall improve the productivity if its engineers.

"Products" – shall mean Software, together with any services offered by Customer for sale to Customer's customers, including web page design or other interactive customer care services provided by Customer or Consultant to any Customer's customer, and any other services which now or may become available for sale by Customer.

"Statement Of Work" (or "SOW") – shall mean the written document or documents mutually agreed between Customer and Consultant providing a general description of Consultant's Consulting Services, applicable rates, work to be performed and other items reasonably necessary to perform the consulting services.

"Work Product" - As used in this Agreement, the term "Work Product" means any deliverable items and other products of Consulting Services, whether or not patentable, and all related Intellectual Property rights.

#### **ARTICLE II**

#### CONSULTING SERVICES

## 2.1 Consulting Services

Ì

- (a) Consultant shall provide Consulting Services to Customer in accordance with the terms and conditions of this Agreement, together with the SOW attached hereto as Exhibit A or other SOWs that are executed by the Customer and Consultant in a form similar to that of Exhibit A. The SOW shall specify, at a minimum, the pricing terms (by discipline or other appropriate breakdown), permissible expenses, applicable performance guarantees and milestones, and procedures for requesting services. The specific scope of any work and details of particular Consulting Services including proposed time and materials cost estimates, fixed price, or Not To Exceed amounts, shall be set forth in the Statement of Work or any other document that references the appropriate Statement of Work to be jointly prepared by Customer and Consultant and approved by Customer. Consultant shall not be bound to perform, and Customer shall not be required to pay for, any Consulting Services not contained in the Statement of Work or associated documents, unless accompanied by a change order executed by Company and Consultant. Consultant will ensure that all personnel assigned to perform any work for Customer are trained and shall have the skills necessary to complete the tasks set forth in the Statement of Work.
- (b) Any work request shall be in line with a Statement of Work issued in accordance with this Section 2.1. Nothing in this Agreement shall preclude Customer from obtaining the same or similar services from any other source at any time. Nothing in this Agreement shall preclude Consultant from providing the same or similar services to another company, provided Consultant maintains the Customer's Confidential Information.

## 2.2 [intentionally deleted]

)

#### 2.3 Intellectual Property Rights

- (a) Intellectual Property Created by Customer Customer shall own and/or retain all right, title and interest in and to all Work Product and/or Intellectual Property developed by Customer or its employees, engineers, agents or partners (including, but not limited to, Customer's systems integration partners) generally and in connection with the services rendered by Consultant hereunder, and nothing contained herein shall be deemed to grant to Consultant any ownership, security or other interest in any such Intellectual Property. Any and all work performed by Consultant hereunder shall be deemed a work for hire.
- (b) Intellectual Property Jointly Developed Customer shall own and/or retain all rights, title, and interest in and to all Work Product and/or Intellectual Property jointly developed by Customer or its employees, engineers, agents or partners and Consultant in connection with the services to be provided hereunder. Nothing contained herein shall be deemed to grant to Consultant any ownership, security or

other interest in any such Work Product and/or Intellectual Property. Any and all work performed by Consultant hereunder shall be deemed a work for hire.

- (c) Assignment of Work Product Consultant irrevocably assigns to Customer all right, title and interest worldwide in and to the Work Product and all applicable Intellectual Property rights in and related to the Work Product. Consultant retains no rights in the Work Product or related Intellectual Property rights and agrees not to challenge the validity of Customer's ownership in the Work Product and related Intellectual Property rights. To the extent Consultant incorporates into Work Product or uses in connection with the Work Product any of Consultant's proprietary materials, Consultant hereby grants to Customer and its Affiliates a perpetual, non-exclusive, royalty-free, irrevocable, transferable, fully paid-up and world-wide right and license to use, copy, reproduce, adapt, distribute, display and prepare derivative works of such Consultant materials and, to the extent Consultant incorporates into Work Product any third party's proprietary materials, Consultant hereby grants to Customer and its Affiliates a perpetual, non-exclusive, royalty-free, irrevocable, transferable, fully paid-up and world-wide right and license to use, copy, reproduce, adapt, distribute, display and prepare derivative works of such materials.
- (d) Assistance Consultant agrees to cooperate with Customer or its designee(s), both during and after the term of this Agreement, in the procurement and maintenance of Customer's rights in Work Product and to execute, when requested, any other documents deemed necessary by Customer to carry out the purpose of this Agreement.
- (e) Enforcement of Intellectual Property Rights As reasonably necessary and at Customer's expense, Consultant will assist Customer in every proper way to obtain, and from time to time enforce, United States and foreign Intellectual Property rights relating to Work Product in any and all countries. To that end Consultant will execute, verify and deliver such documents and perform such other acts (including appearances as a witness) as Customer may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Intellectual Property rights and the assignment thereof. In addition, Consultant will execute, verify and deliver assignments of such Intellectual Property rights to Customer or its designee. Consultant's obligation to assist Customer with respect to Intellectual Property rights relating to such Work Product in any and all countries shall continue beyond the termination of this Agreement,

### 24 Acceptance and Default

(a) Should Consultant fail to satisfy its obligations contained herein, including failure to meet milestone target dates set forth, Customer may elect to notify Consultant in writing of such failure and Consultant shall have 30 days to cure. In addition to any

other available remedies, Customer's immediate remedy for such failure shall be to withhold payment then owing to Consultant until Consultant has met the subject requirement or milestone, as the case may be.

- (b) If Consultant fails to cure any defect or delay in the time specified in Section 2.4(a), then Customer shall have the right to terminate this Agreement, effective immediately upon Notice, and Consultant shall forfeit the right to perform and expect payment for the balance of work. A settlement on any outstanding payments at that time will be made between Customer and Consultant. Consultant shall still be obligated to finish and Customer to pay for, any other work accepted by Consultant or currently in progress as of the date of Notice. A failure on the part of Customer to exercise its rights under this section at any time shall not constitute a waiver of this, or any other, section at any other time.
- (c) Consultant shall notify Customer when a work is completed. Within 15 working days of receipt of such notice, Customer shall provide written notice to Consultant of either its acceptance of Consultant's satisfactory completion of such work in accordance with the requirements thereof, or of any challenge or complaint that Consultant's performance in connection with such work fails to meet the requirements thereof. Notice of failure shall state the nature of the complaint and shall be treated in accordance with sections 2.4(a) and 2.4(b) above as written notice of failure. If no notice is received from customer within the stipulated time of 15 working days completed work is deemed to be accepted by the customer.
- 2.5 NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES FOR ANY CAUSE OF ACTION, WHETHER IN CONTRACT, TORT, OR OTHERWISE, EXCEPT:
  - A. DAMAGES FOR WHICH A PARTY HAS AN OBLIGATION OF INDEMNITY UNDER THIS AGREEMENT;
  - B. ANY GROSSLY NEGLIGENT, WILLFUL OR FRAUDULENT ACT OR OMISSION; OR
  - C. ANY BREACH OF PROVISIONS RELATED TO COMPANY MARKS, INDEMNITY, OR CONFIDENTIALITY.

CONSEQUENTIAL DAMAGES INCLUDE, BUT ARE NOT LIMITED TO, LOST PROFITS, LOST REVENUES AND LOST BUSINESS OPPORTUNITIES, WHETHER THE OTHER PARTY WAS OR SHOULD HAVE BEEN AWARE OF THE POSSIBILITY OF THESE DAMAGES.

)

#### ARTICLE III

## **PAYMENT PROVISIONS**

- 3.1 [intentionally deleted]
- 3.2 **Pricing** Customer agrees to pay Consultant for its performance hereunder in accordance with the pricing terms and conditions contained in the SOW for Time and Materials or as agreed to in writing by the parties for any particular work.
- 3.3 Payment Invoices shall be submitted at the end of each month for Time and Material contracts or upon completion of Milestones, if any, as set forth in Statement of Work (or any document associated with the SOW), Payment terms shall be net forty-five (45)) days from receipt by Customer of an undisputed invoice. Any invoice in dispute in accordance with Section 2.4 above shall be paid within thirty (30) days of the resolution of the dispute. Any invoice in dispute with regards to hours billed, expenses, or other accounting errors, shall be paid within thirty (30) days after the resolution of the dispute and submittal of a corrected invoice. Consultant shall send invoices to the following address:

Attn: CenturyLink Accounts Payable P O Box 11600 Monroe, LA 71211

- 3.4 Expenses Reasonable expenses shall be compensated as authorized in writing in advance by Customer, which shall include agreed upon expenses for travel, lodging, and meals. If found essential a standard charge for these expenses may be built into the pricing schedule to handle these expenses.
- 3.5 Taxes Customer will be responsible for applicable sales and use taxes for which Customer has not provided Consultant with an exemption certificate. Consultant will separately state all sales and use taxes and all taxable and non-taxable charges on all invoices issued to Customer, including those arising from Consultant consumption of goods and services.

#### ARTICLE IV

#### GENERAL TERMS

1

4.1 **Nondisclosure** - By virtue of their activities under this Agreement each party may have access to the proprietary and confidential information of the other ("Confidential

Information"). Confidential Information shall include, but not be limited to, the terms and pricing under this Agreement, and all information clearly identified as confidential. All Company Data and Work Product shall be confidential information of Company. A party's Confidential Information shall not include information that:

- (a) is or becomes a part of the public domain through no act or omission of the other party;
- (b) was in the other party's lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party;
- (c) is lawfully disclosed to the other party by a third party without restriction on disclosure; or
- (d) is independently developed by the other party.

The parties agree to hold each other's Confidential Information in confidence during the term of this Agreement and after termination of this Agreement. The parties agree, unless required by law, not to make the other party's Confidential Information available in any form to any third party for any purpose other than the implementation of this Agreement. Each party agrees to take all reasonable steps to ensure that Confidential Information is not disclosed or distributed by its employees or agents in violation of the terms of this Agreement.

- 4.2 No Exportation In the event that either party desires to disseminate Confidential Information to an employee, agent, subsidiary, affiliate, successor, or other, the disseminating party shall notify the other in writing of the name, location, suggested shipping or transportation media, and purpose of the disclosure. Thereafter, the disseminating party shall not release the Confidential Information without the express written approval of the disclosing party. Each party acknowledges its obligation to control access to, and/or exportation of, technical data under the applicable export laws and regulations of the United States, such as the Export Administration Regulations and the International Traffic in Arms Regulations, and U.S. economic sanctions programs. The parties will comply with U.S. export control and U.S. economic sanctions laws with respect to the export or re-export of U.S. origin goods, software, services and/or technical data, or the direct product thereof.
- 4.3 **Severability** If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement will remain in full force.
- Waiver Provisions, defaults, or breaches of the Agreement may be waived on by the Point of Contact in a writing signed by the party to be bound by such waiver. The waiver by either party of any provision, default or breach of this Agreement shall not constitute a waiver of any other or subsequent default or breach. The failure of a party to require performance by the other party of any provision of this Agreement will not diminish the right of that party later to require performance of that provision.

}

## 4.5 Entire Agreement

- (a) This Agreement constitutes the complete agreement between the parties and supersedes all prior contemporaneous agreements or representations, written or oral, concerning the subject matter of this Agreement. This Agreement may not be modified or amended except in writing signed by a duly authorized representative of each party; no other act, document, usage or custom shall be deemed to amend or modify this Agreement.
- (b) It is expressly agreed that the terms of this Agreement shall supersede the corresponding terms set forth in any documents previously presented to Consultant or in written or oral presentations made by Customer to Consultant.
- (c) Consultant acknowledges and agrees it has not, in executing this Agreement, relied upon any oral or documentary representations by Customer or its employees or agents other than those contained in this Agreement.
- 4.6 Notices All notices or other communications to be given hereunder shall be in writing and delivered either by certified mail, telecopy (confirmation by certified mail) or by overnight courier, courier charges prepaid, and addressed to the appropriate party as set forth below.

	·
If to Consultant:	Attn: Harsch Bhatnagar
	Vice President - IT
	4250 N Fairfax Dr, 6w034
	Arlington VA 22203
	703-363-8700
	Harsh.Bhatnagar@Qwest.com
	With a copy to:
	Qwest Law Department (IT Legal Issues)
	1801 California Street - 9th Floor
	Denver, Colorado 80202

If to Customer:

CenturyLink
100 CenturyLink Drive
Monroe, LA 71203
Attn: Bill Bradley, Chief Information Officer and Senior
Vice President

With a copy to:

CenturyLink Law Department
Director, Procurement Law Group
5454 W. 110th Street
Mailstop: KSOPKJ0701
Overland Park, KS 66211
Fax:(913) 315-0763

Notices delivered personally shall be effective upon delivery and notices delivered by certified mail or overnight courier shall be effective upon their receipt by the party to whom they are addressed.

- 4.7 **Trademarks** Neither party hereto shall make any use of any of the other's trademarks, service marks, trade names or trade dress without prior written consent of the other party. This agreement shall not be construed as a license by either party for the use of the other's trademarks, service marks, trade names or trade dress.
- 4.8 Governing Law This Agreement shall be construed in accordance with the laws of the State of New York without regard to its principles of conflicts or choice of law thereunder.
- 4.9 **Counterparts** This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which shall constitute one and the same agreement.
- 4.10 No Third Party Beneficiaries No provision of this Agreement is intended to create in any person other than the parties hereto and the Indemnitees referenced herein any rights or remedies hereunder.
- 4.11 Assignment This Agreement may not be assigned (by operation of law or otherwise) by Consultant nor may Consultant delegate or subcontract any obligation incurred hereunder, except with the prior written consent of Customer. Customer may, without the consent of Consultant, assign (by operation of law or otherwise) any of its rights and obligations hereunder to any successor in interest which assumes all of Customer's obligations hereunder and Customer may, without Consultant's consent, pledge its rights to receive

payments from the Consultant hereunder. Customer may, without the consent of consultant, assign (by operation of law or otherwise) any of its rights and obligations hereunder to any of Customer's corporate affiliates. Subject to the foregoing, this Agreement shall inure to the benefit of, and shall be binding on, the parties hereto, their successors and permitted assigns.

4.12 Force Majeure - The parties shall be excused from responsibility for any failure to perform as a result of any act, event, circumstance, delay, interruption, error, or malfunction resulting from natural disaster, acts of God, other events of force majeure, or disruptions in services from public utilities or communications systems. Any such force majeure event that affects a Party's ability to perform for more than thirty (30) days shall be the basis for the non-defaulting Party to declare a termination of any work without incurring termination penalties. Consultant shall provide to Customer all work that it completed prior to the termination, and Customer shall pay Consultant for the value of any work that it has received to the time of termination.

## 4.13 Open Source Software

- (a) Open Source Software means any software that requires as a condition of use, modification or distribution that the software or any other software incorporated into, derived from or distributed with such software be: (i) disclosed or distributed in source code form, (ii) licensed for the purpose of making derivative works, or (iii) licensed or redistributed at no charge.
- (b) Consultant shall not include any Open Source Software in any Work Product unless expressly authorized under the applicable Statement of Work.
- (c) To the extent any Open Source Software is contributed, combined or otherwise used in connection with any Work Product or Consulting Services pursuant to and in accordance with this Section, (i) such Open Source Software shall be provided on an "AS IS" BASIS and WITHOUT WARRANTY, either express or implied, including, without limitation, the warranties of non-infringement, merchantability or fitness for a particular purpose, and (ii) Consultant shall provide no indemnification to Customer arising out of any claim that such Open Source Software or its use by Customer infringes the intellectual property rights of any third party.

## 4.14 Warranty

(a) Consultant warrants that the personnel provided under this Agreement shall have the skills, training, knowledge, education and experience necessary to perform the tasks requested in the Statement of Work. Consultant warrants that the work performed shall be done in a professional, workmanlike manner consistent with industry standards, and that any Products delivered shall conform to the description, definition, specification and functional requirements set forth, and shall be reasonably free of errors and defects for a warranty period of one (1) year (or such other period as may be jointly agreed to by Customer and Consultant) after delivery and acceptance by Customer. At Customer's request and at no additional charges, Consultant will promptly correct defects or provide replacement services for any non-conformity in such Products or services.

- (b) Consultant warrants that any and all Work Product shall be delivered free and clear of the claims of third parties for property infringement, copyright infringement, or other property interests. Consultant warrants that neither Consultant nor its personnel has any existing obligation that would violate or infringe upon the rights of third parties, including property, contractual, employment, trademark, trade secrets, copyright, patent, proprietary information and non-disclosure rights, that might affect Consultant's ability to fulfill Consultant's obligations under this Agreement. Consultant warrants that it shall have the right to sub-license to Customer any of its own or third-party proprietary materials, including without limitation, any software that is provided or incorporated into Work Product that it provides to Customer.
- INDEMNIFICATION CONSULTANT AGREES TO DEFEND, INDEMNIFY AND HOLD CUSTOMER AND CUSTOMER INDEMNITEES HARMLESS FROM AND AGAINST ALL CLAIMS, LIABILITY, LOSSES, DAMAGES, PENALTIES, FINES, COSTS, AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES)("LOSSES") FOR BODILY INJURY (INCLUDING DEATH) AND PROPERTY DAMAGE TO TANGIBLE PROPERTY RESULTING FROM THE WRONGFUL OR NEGLIGENT ACTS OF CONSULTANT'S EMPLOYEES WHILE PRESENT ON THE PROPERTY OF CUSTOMER, FROM ANY FAILURE TO PAY CONSULTANT PERSONNEL COMPENSATION OR BENEFITS IN ACCORDANCE WITH APPLICABLE LAWS OR FROM THE TERMINATION OF CONSULTANT PERSONNEL'S ASSIGNMENT WITH THE COMPANY AND FOR ANY LOSSES ARISING FROM OR RELATING TO CONSULTANT'S BREACH OF THIS AGREEMENT. CONSULTANT AGREES ALL CONSULTANT'S EMPLOYEES SHALL FOLLOW REASONABLE RULES AND REGULATIONS ESTABLISHED BY CUSTOMER WHILE PRESENT AT THE CUSTOMER'S FACILITIES. CONSULTANT SHALL BEAR THE RISK OF LOSS, TO ITS OWN EQUIPMENT, SOFTWARE OR OTHER PROPERTY, REGARDLESS OF WHERE SUCH ITEMS ARE LOCATED OR OF WHO HAS POSSESSION OF SUCH ITEMS.

## 4.16 CONSULTANT'S INTELLECTUAL PROPERTY INDEMNITY

Except as set forth in paragraph 4.13 above, Consultant will, (at its expense), indemnify and defend Customer and its Indemnitees against any demand, suit, cause of action, or liability (including reasonable legal fees) arising out of any claim alleging that Work

Total Control

Product, or the use of Work Product, infringes, violates or misappropriates, either directly or indirectly, any patent, copyright, trademark, trade secret or other intellectual property or proprietary right of any third party.

- (a) Exceptions. Consultant's obligation to indemnify and defend Customer and its Indemnitees applies to any infringement, violation or misappropriation caused by any combination of Work Product with any other product, system or method if: (a) Customer is reasonably expected to use the Work Product in combination with the product, system or method; or (b) the product, system or method is (i) provided by Consultant or its Affiliates, (ii) specified by Consultant, or specified in a statement of work, to work with or be used in combination with the Work Product, or (iii) reasonably required to use the Work Product in their intended manner.
- (b) Enjoined Use. If an injunction affecting the Work Product or Customer's use of any Work Product is issued, or if Consultant determines that an injunction is likely to issue, Consultant will promptly, at is expense, (a) obtain the right for Customer to use the Work Product, (b) replace or modify it with non-infringing Work Product of equivalent functionality, or (c) refund the amounts paid for the Work Product (where applicable, pro-rated based on the expected life of the Work Product) and reimburse Customer for all reasonable expenses for removal and replacement of the Work Product.

THIS SUBSECTION SETS FORTH THE SOLE AND EXCLUSIVE REMEDY OF CUSTOMER, AND THE ENTIRE OBLIGATION AND LIABILITY OF **CLAIMS** CONSULTANT, AS TO ANY OF INFRINGEMENT OR OF THIRD PARTY INTELLECTUAL PROPERTY MISAPPROPRIATION RIGHTS BY ANY WORK PRODUCT FURNISHED UNDER THIS AGREEMENT.

14.17 **Point of Contact** – Consultant and Customer shall designate one person each who shall be the single Lead Representative between the parties.

For Customer:		For Consultant:	
Name:	Bill Bradley	Name:	Harsch Bhatnagar
Title:	SVP and CIO	Title:	Vice President - IT
Phone #:	(318) 388-9156	Phone #:	703-363-8700
e-mail:	bill.bradley@centurylink.com	e-mail:	Harsh.Bhatnagar@Qwest.com

### 14.18 AUTHORIZATION TO WORK AT COMPANY

For assignments in the United States, Consultant shall only provide Consultant personnel who are authorized to live and work in the United States in accordance with Federal and State laws. Consultant agrees that upon request, it will furnish to Company the I-9 form for any Consultant personnel for whom Company requests confirmation of employment eligibility. It is expressly understood that such request for Company or compliance by Consultant shall not in any way be construed as suggesting Company is the employer of Consultant personnel; but rather will be construed only as an attempt by Company to verify Consultant's compliance with this Section.

If Consultant is sponsoring any Consultant personnel for an H-1B or other work visa, Consultant will notify Company in advance of the assignment to Company, so that Consultant and Company can confirm that an employer-employee relationship exists between Consultant and that particular Consultant personnel and will continue to exist between Consultant and that particular Consultant personnel throughout the duration of the requested H-1B validity period. Consultant's advance notice shall be in writing (including email), shall be delivered to designated Company employee at least five (5) business days prior to the start of the proposed assignment, and shall specify: the Consultant personnel, the type of work visa, the requested start date with Company, and the name of the Company employee requesting the assignment.

#### 14.19 INFORMATION SECURITY

To protect Company's Confidential Information from unauthorized use, including disclosure, loss or alteration, Consultant will: (i) meet the Security Standards; (ii) inventory and test Security Standards before accepting Company's Confidential Information; and (iii) strictly adhere to Company's Enterprise Security Policy and Information Security Standards, which will be provided to Consultant upon Consultant's request.

If Consultant stores, processes, or transmits credit card information on behalf of Company, Consultant will comply with Payment Card Industry Data Security Standards, including PCI-DSS version 1.2 standards, as amended or updated from time to time. Consultant will validate compliance with Payment Card Industry Data Security Standards, as needed, to permit Company to meet its compliance obligations.

Upon Company's reasonable request, Consultant will provide information to Company to enable Company to determine compliance with this Section. As part of Company's assessment of Consultant's internal control structure, Company may require Consultant to, without limitation, answer security questionnaires or conduct scans of servers, databases and other network hardware.

Consultant will promptly inform Company of any known or suspected compromises of Company's Confidential Information as a result of Consultant's failure to comply with the Security Standards.

On a periodic basis, but in no event more than twice in any 12-month period, Company may, upon 10 days' notice, perform a security assessment to determine Consultant's compliance with the Security Standards. If Company has a reasonable basis to believe that Consultant has breached or is likely to breach the Security Standards, Company may, upon 5 days' notice, perform a vulnerability assessment, which assessment will be in addition to any assessment in the ordinary course.

At Company's reasonable request, Consultant will promptly cooperate with Company to develop a plan to protect Company's Confidential Information from failures or attacks on the Security Standards, which plan will include prioritization of recovery efforts, identification of and implementation plans for alternative data centers or other storage sites and backup capabilities.

If Consultant fails to meet the obligations in this Section, Company will notify Consultant of this failure as provided in this Agreement. Consultant will have thirty (30) days from receiving that notice to correct the cause for the failure. If Consultant fails to remedy its failure within such period, Company has the right to terminate this Agreement for cause.

## 14.20 REQUIRED INSURANCE POLICIES AND MINIMUM COVERAGE LIMITS

Without limiting the liabilities or indemnification obligations of Consultant, Consultant shall, at its own cost and expense, provide and maintain during the term of this Agreement, such minimum insurance as will cover the obligations and liabilities of Consultant and Consultant Personnel which may arise under this Agreement. The insurance coverage shall be from a company, or companies, (a) for operations inside the United States, having an A.M. Best's rating of A-VII or better and a license to do business in each state, or (b) for operations outside of the United States, acceptable to Consultant in its sole determination, where Consultant will perform work under this Agreement, and in amounts not less than those specified below.

- (a) Workers' Compensation or Industrial Insurance (including Occupational Diseases): in accordance with statutory requirements applicable in each state in which the work is to be performed.
- (b) Employer's Liability: \$1,000,000 each occurrence.

For non-United States domiciled employees: Workers' Compensation Insurance and Employer's Liability insurance or similar social insurance or government scheme in accordance with applicable law in the country where the work will be performed.

(c) Commercial General Liability: \$1,000,000 combined single limit per occurrence, covering personal injury, bodily injury, sickness or death, and loss or damage to property, and including products/completed operations, contractual liability, broad form property damage, independent contractors coverage and (X, C, U) explosion collapse and underground coverage.

- (d) Comprehensive Automobile Liability (including all owned, non-owned and hired vehicles): \$1,000,000 combined single limit per occurrence covering personal injury, bodily injury, sickness or death, and loss or damage to property. If vehicles will be used in performance of this Agreement outside of the United States, the limits of insurance shall be as required by applicable law.
- (e) Professional Liability/Errors and Omissions: \$1,000,000 each occurrence and in the aggregate.
- (f) Blanket Comprehensive Crime: covering losses by dishonesty, disappearance and destruction, computer theft and funds transfer fraud, including loses for which Consultant is legally liable, arising out of or in connection with any fraudulent or dishonest acts committed by Consultant's employees acting alone or with others, \$1,000,000 each occurrence. Consultant will list Company as a loss payee as their interest may appear.
- (g) Excess/Umbrella Liability Insurance: \$2,000,000 each occurrence which may be provided through any combination of primary or excess insurance. Notwithstanding the foregoing, for ALL contracts involving excavation (regardless of size), Consultant must provide excess/umbrella liability insurance with a minimum limit of \$5,000,000 per occurrence.

## ADDITIONAL REQUIREMENTS

The insurance policies listed above shall be written on an occurrence form basis and shall be endorsed to provide that:

the underwriters waive subrogation against Company, its affiliates, subsidiaries, and parent, as well as the officers, directors, employees and agents of all such entities on the policies described in subsections 14.20(a) (re Workers' Compensation) and 14.20(c) (re Commercial General Liability) or claims or loss caused by and to the extent of Consultant's negligence and unless such endorsement is prohibited by law or regulation;

Consultant will conduct business with Company in an ethical manner that is consistent with the CenturyLink Code of Conduct for Consultants, Contractors, and Suppliers, which will be provided to Consultant upon Consultant's request.

## 14.23 NO PUBLICITY

Consultant will not, without the Company Corporate Communications Department's written consent, issue any news release, announcement, denial or confirmation of the Agreement, its value, or its terms and conditions, or in any other manner advertise or publish the Agreement, its value, or its terms and conditions. Nothing in the Agreement is intended to imply that Company will agree to any publicity whatsoever. Company may, in its sole discretion, withhold consent to any publicity.

#### ARTICLE V

#### **TERM & TERMINATION**

- 5.1 **Term** The Term of this Agreement shall be from September 10, 2010 to March 31, 2011, unless terminated sooner in accordance with Section 2.4 or Section 5.2. provided, the terms of this Agreement will continue in effect for any work that is outstanding at the time of termination under this Agreement or expiration of the term. After the initial term, this Agreement shall renew automatically every year on its anniversary date for an additional period of one year. Either party may terminate this Agreement at the end of any period by giving written notice to the other party at least thirty (30) days prior to the end of that period. Customer may terminate this Agreement at any time, effective upon receipt of notice of termination by Consultant. Customer shall be liable only for the work performed as of the effective date of termination.
- 5.2 **Termination** Either party may terminate this Agreement in the event of a material breach by the other party of the terms hereof. Such termination shall be effective following the non-breaching party's written notice to the breaching party (which such notice shall describe the alleged default in reasonable detail) and the breaching party fails to cure such breach to the satisfaction of the non-breaching party within 30 days of its receipt of the default notice (or, if such cure cannot be completed in 30 days, if the defaulting party fails to commence such cure with such time period and pursue such cure diligently until the default is remedied). The parties' obligations hereunder shall terminate immediately if either party becomes insolvent, admits to a general inability to pay its debts, files a petition in bankruptcy, is the subject of an involuntary petition in bankruptcy that is not dismissed within thirty (30) days after its effective filing date, or becomes in default hereunder.

Survival – In the event of termination of this Agreement, in whole or in part, the provisions of Sections 2.3, 2.5, 3.4 and Article IV shall survive and continue in effect.

N WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their authorized representatives on the dates specified below:

BY CenturyTel Service Group, LLC	Brent Vande Ark
	Name: Brent Vander Ark Title: VP of SCM & Decision Support Date: 9/10/2010
BY Qwest Corporation	Name HARSCH BHATNAGAR Title VP-INFORMATION TECHNOLOGY

#### **EXHIBIT A**

#### CONSOLIDATED STATEMENT OF WORK

Work Statement Date: September 10, 2010

This is a General Work Statement under the Services Agreement between CenturyTel Service Group, LLC ("Customer" or "CenturyLink"), and Qwest Corporation ("Consultant" or "Owest").

#### 1. Period of Work

Date of Commencement of Work Statement: September 10, 2010 End date for this Statement of Work: March 31, 2011

2. Description and/or Specifications of the services to be performed by Qwest and the Deliverables to be delivered to Customer

#### Description of tasks:

Qwest will provide software services to CenturyLink which involves development of software systems along with CenturyLink for providing various clients, business partner facing and functional enabling systems like customer portals, ordering systems, billing systems, monitoring & tracking systems, provisioning systems, network related systems and business process re-engineering systems.

Project specific statements of work will be agreed upon by CenturyLink and Qwest before work commences.

#### Deliverables:

Owest will be involved in the following activities -

- Design & Development of software
- System Integration and testing support
- Data conversion and verification
- Other activities discussed and agreed upon by the onsite project manager and offshore lead.

## 3. Billing rates & other costs

The following rates shall apply for the execution of all work that will be carried out under this Statement of work:

# Offshore development, support and other functions (India)

- USD \$18 per hour for Technical Member/Technical Lead.
- ❖ USD \$34 per hour for Technical Manager and above

### ADDENDUM NO. 1

#### TO

## MASTER CONSULTING SERVICES AGREEMENT

This Addendum No. 1 to the Master Consulting Services Agreement ("the Agreement") by and between Century Tel Service Group, LLC, and Qwest Corporation is effective as of October 1, 2010.

WHEREAS, Century Tel Services Group, LLC ("Customer") and Qwest Corporation ("Consultant") entered into a Master Consulting Services Agreement effective as of September 10, 2010; and

WHEREAS, both Customer and Consultant recognize that Exhibit A to the Agreement does not include all applicable billing rates; and

WHEREAS, both Customer and Consultant agree that an additional billing rate should be included in Exhibit A;

THEREFORE, the parties agree as follows:

The rates listed in Exhibit A shall include the following as an additional rate that may be charged by Consultant:

Onshore development, support and other functions provided by employees temporarily based in the U.S. (landed-offshore employees).

Rate: USD\$65 per hour

CenturyTel Service Group, LLC

Name: Renee C. Dowis

Title: Mgk Sourcing
Date: Nov 8,200

Name: Harsch Bhatnagar

Title: Vice President - IT

Date: 2 NOV. 2010

Onsite development, support and other functions provided by India-based employees (Customer or non-Qwest location)

- USD \$18 per hour for Technical Member/Technical Lead.
- USD \$34 per hour for Technical Manager and above

Onshore development, support and other functions provided by U.S.-based employees (U.S. locations

Rate: USD \$100 per hour

All pre-approved business-related expenses for Air-travel, Lodging, Meals and Conveyance, incurred by Consultant related to the onsite assignment are not included in the hourly rates stated above, and will be charged to Customer at actual and reasonable cost. Company will not reimburse Consultant for personal expenses, including, without limitation, phone calls and meals.

## Third-party consultant charges

If authorized under the applicable Statement of Work, Qwest may engage third-party consultants (non-Qwest Affiliate) to assist in performance of work under such Statement of Work. Any charges by such third-party consultants will be added to the Qwest invoices to customer. Qwest will not add any mark-up to the third-party consultant charges.

### 4. Schedule and method of payment

Invoices will be sent upon completion of each project, or monthly, or as may be agreed upon by the parties, with net payment terms of 30 days after receipt of the invoice. Qwest will provide CenturyLink with details for payment by bank wire transfer.

BY CenturyTel Service Group, LLC	Name: Frank Clifford Title: Lead Manager, Sourcing Date: 9/13/2016
BY Qwest Corporation	Name: HARSON BHATNAGAR Title: VP - INFORMATION FECHNOLOGY Date: 9/14/2010

## VERIFIED STATEMENT OF AFFILIATED INTEREST TRANSACTION

## **Qwest Corporation**

## WAC 480-120-375 states:

Every public service company must file a verified copy, or a verified summary, if unwritten, of contracts or arrangements with affiliated interests before the effective date of the contract or arrangement. Verified copies of modifications or amendments to the contract or arrangements must be filed before the effective date of the modification or amendment. If the contract or arrangement is unwritten, then a public service company must file a verified summary of any amendment or modification. The Commission may institute an investigation and disapprove the contract or arrangement if the commission finds the public service company has failed to prove that it is reasonable and consistent with the public interest.

Joyce L. McDonald, Lead Finance/Business Analyst of Qwest Corporation certifies that the attached Master Consulting Services Agreement, including Addendum No. 1, describes the affiliate arrangement between Qwest Corporation and CenturyLink.

Joyce L. McDonald

Dated at Seattle this 29th day of March, 2011.