

TRAFFIC EXCHANGE AGREEMENT

BETWEEN

**CENTURYTEL OF WASHINGTON, INC.
CENTURYTEL OF INTER ISLAND, INC.
CENTURYTEL OF COWICHE, INC.**

AND

**COMPUTERS 5, INC. D/B/A
LOCALTEL COMMUNICATIONS**

IN THE STATE OF WASHINGTON

This Traffic Exchange Agreement (the "Agreement"), is by and between CenturyTel of Washington, Inc., CenturyTel of Inter Island, Inc., and CenturyTel of Cowiche, Inc. with the address for purposes of this Agreement at 100 CenturyTel Drive, Monroe, Louisiana 71203 (collectively "CenturyTel"), and Computers 5, Inc., d/b/a LocalTel Communications ("LocalTel"), in its capacity as a certified Provider of local two-way wireline dial-tone service, with its address for this Agreement at 341 Grant Road, East Wenatchee, Washington 98802, (CenturyTel and LocalTel being referred to collectively as the "Parties" and individually as a "Party"). This Agreement covers services in the State of Washington only (the "State").

WHEREAS, connection between Local Exchange Carriers (LECs) is necessary and desirable for the mutual exchange and termination of traffic originating on each LEC's network; and

WHEREAS, the Parties desire to exchange such traffic and related signaling in a technically and economically efficient manner at defined and mutually agreed upon connection points; and

WHEREAS, the Parties wish to enter into an agreement to interconnect their respective telecommunications networks on terms that are fair and equitable to both Parties; and

WHEREAS, Section 251 of the Telecommunications Act of 1996 (the "Act") imposes specific obligations on LECs with respect to the interconnection of their networks;

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CenturyTel and LocalTel hereby covenant and agree as follows:

ARTICLE I
SCOPE AND INTENT OF AGREEMENT

Pursuant to this Agreement, the Parties will extend certain arrangements to one another within each area in which they both operate within the State for purposes of connection and the exchange of traffic between their respective end-user customers. This Agreement is an integrated package that reflects a balancing of interests critical to the Parties. The Parties agree that their entrance into this Agreement is without prejudice to and does not waive any positions they may have taken previously, or may take in the future, in any legislative, regulatory, judicial or other public forum addressing any matters, including matters related to the same types of arrangements and/or matters related to CenturyTel's cost recovery covered in this Agreement. LocalTel agrees to negotiate reciprocal terms and conditions with CenturyTel based on this Agreement.

The services and facilities to be provided to LocalTel by CenturyTel in satisfaction of this Agreement may be provided pursuant to CenturyTel tariffs and then current practices. Should such services and facilities be modified by tariff or by Order, including any modifications resulting from other Commission proceedings, federal court review or other judicial action, and unless otherwise specified herein, such modifications will be deemed to automatically supersede any rates and terms and conditions of this Agreement. The Parties shall cooperate with one another for the purpose of incorporating required modifications into this Agreement.

ARTICLE II
DEFINITIONS

1. General Definitions.

Except as otherwise specified herein, in case of any interpretation question, the standard definitions in CenturyTel's Section 251 Interconnection agreement template as set forth in Appendix B attached to this Agreement and made a part hereof shall apply to all Articles and Appendices contained in this Agreement. Additional definitions that are specific to the matters covered in a particular Article may appear in that Article. To the extent that there may be any conflict between a definition set forth in Appendix B and any definition in a specific Article or Appendix, the definition set forth in the specific Article or Appendix shall control with respect to that Article or Appendix.

ARTICLE III
GENERAL PROVISIONS

1. Scope of General Provisions.

Except as may otherwise be set forth in a particular Article or Appendix of this Agreement, in which case the provisions of such Article or Appendix shall control, these General Provisions apply to all Articles and Appendices of this Agreement.

2. Term and Termination.

2.1 Term.

Subject to the termination provisions contained in this Agreement, the term of this Agreement shall be from the Effective Date of this Agreement until two years from that date and shall continue in effect for consecutive six (6) month terms unless either Party gives the other Party at least ninety (90) calendar days written notice of termination, which termination shall be effective at the end of the then-current term ("Termination Date"). In the event notice is given less than 90 calendar days prior to the end of the current term, this Agreement shall remain in effect for 90 calendar days after such notice is received, provided, that in no case shall the Termination Date be extended beyond 90 calendar days after the end of the current term.

2.2 Post Termination Arrangements.

Except in the case of termination as a result of either Party's Default under Section 2.3 below, or a termination upon sale, pursuant to Section 2.5, for service arrangements made available under this Agreement and existing at the time of termination, those arrangements may continue:

- (a) As if under this Agreement, if either Party has requested negotiations for a new agreement, (i) until this Agreement has been replaced by a new agreement, or (ii) for up to one hundred eighty (180) calendar days following the Termination Date, whichever is earlier.
- (b) If this Agreement is not continued pursuant to subsection (a) preceding under (i) a new agreement voluntarily executed by the Parties; (ii) standard terms and conditions approved and made generally effective by the Commission, if any; (iii) tariff terms and conditions made generally available to all non-competitive Local Providers.

2.3 Termination Upon Default.

Either Party may terminate this Agreement in whole or in part in the event of a default by the other Party; *provided however*, that the non-defaulting Party notifies the defaulting party in writing of the alleged default and that the defaulting Party does not cure the alleged default within sixty (60) calendar days of receipt of written notice thereof. Default is defined to include:

- (a) A Party's insolvency or the initiation of bankruptcy or receivership proceedings by or against the Party; or
- (b) A Party's refusal or failure in any material respect properly to perform its obligations under this Agreement, or the violation of any of the material terms or conditions of this Agreement.

2.4 Termination Upon Ordering and Implementation Inactivity.

Notwithstanding anything to the contrary contained herein, CenturyTel may terminate this Agreement in the event LocalTel has not (a) placed any initial orders for any of the services to be provided pursuant to this Agreement and (b) implemented any said services to LocalTel customers within one (1) year from the Effective Date of this Agreement.

2.5 Termination Upon Sale.

Notwithstanding anything to the contrary contained herein, a Party may terminate this Agreement as to a specific operating area or portion thereof if such Party sells or otherwise transfers the area or portion thereof. The selling or transferring Party shall provide the other Party with at least ninety (90) calendar days' prior written notice of such termination, which shall be effective on the date specified in the notice. Notwithstanding termination of this Agreement as to a specific operating area, this Agreement shall remain in full force and effect in the remaining operating areas.

2.6 Liability Upon Termination.

Termination of this Agreement, or any part hereof, for any cause shall not release either Party from any liability which at the time of termination had already accrued to the other Party or which thereafter accrues in any respect to any act or omission occurring prior to the termination or from an obligation which is expressly stated in this Agreement to survive termination.

3. Amendments.

Any amendment, modification, or supplement to this Agreement must be in writing and signed by an authorized representative of each Party. The term "this Agreement" shall include future amendments, modifications, and supplements.

4. Assignment.

Any assignment by either Party of any right, obligation, or duty, in whole or in part, or of any interest, without the written consent of the other Party shall be void, except that either Party may assign all of its rights, and delegate its obligations, liabilities and duties under this Agreement, either in whole or in part, to any entity that is, or that was immediately preceding such assignment, a Subsidiary or Affiliate of that Party without consent, but with written notification. The effectiveness of an assignment shall be conditioned upon the assignee's written assumption of the rights, obligations, and duties of the assigning Party.

5. Authority.

Each person whose signature appears on this Agreement represents and warrants that he or she has authority to bind the Party on whose behalf he or she has executed this Agreement. Each Party represents he or she has had the opportunity to consult with legal counsel of his or her choosing and LocalTel has not relied on CenturyTel counsel, pursuant to this Agreement.

6. Responsibility for Payment.

CenturyTel may charge LocalTel and LocalTel will pay CenturyTel a deposit before CenturyTel is required to perform under this agreement if LocalTel has not established a good payment history with CenturyTel. Such deposit will be calculated based on CenturyTel's estimated two-month charges to LocalTel. Interest will be paid on the deposit in accordance with state requirements for end user deposits.

7. CLEC Profile.

Before direct connection orders can be taken, the CLEC Profile must be completed and returned; and, if required, an advanced deposit paid. LocalTel will provide CenturyTel with its Operating Company Number (OCN), Company Code (CC), and Customer Carrier Name Abbreviation (CCNA) as described in the CenturyTel Guide. LocalTel agrees to warrant to CenturyTel that it is a certified provider of telecommunications service. LocalTel will document its Certificate of Operating Authority on the CLEC Profile and agrees to update this CLEC Profile as required to reflect its current certification.

8. Contact Exchange.

The Parties agree to exchange and to update contact and referral numbers for order, inquiry, trouble reporting, billing inquiries, and information required to comply with law enforcement and other security agencies of the government.

9. Billing and Payment.

Except as provided elsewhere in this Agreement and where applicable, in conformance with Multiple Exchange Carrier Access Billing (MECAB) guidelines and Multiple Exchange Carriers Ordering and Design Guidelines for Access Services-Industry Support Interface (MECOD), LocalTel and CenturyTel agree to exchange all information to accurately, reliably, and properly order and bill for features, functions and services rendered under this Agreement.

9.1 Back Billing.

Neither Party will bill the other Party for previously unbilled charges that are for more than one-year prior to the current billing date.

9.2 Dispute.

If one Party disputes a billing statement issued by the other Party, the billed Party shall notify Provider in writing regarding the nature and the basis of the dispute within six (6) months of the statement date or the dispute shall be waived. The Parties shall diligently work toward resolution of all billing issues.

9.3 Late Payment Charge.

If any undisputed amount due on the billing statement is not received by Provider on the payment due date, Provider shall calculate and assess, and Customer agrees to pay, at Provider's option, a 1.5% charge per month on the past due balance. Late payment charges shall be included on the next statement.

9.4 Due Date.

Payment is due thirty (30) calendar days from the bill date.

9.5 Audits.

Either Party may conduct an audit of the other Party's books and records pertaining to the Services provided under this Agreement, no more frequently than once per twelve (12) month period, to evaluate the other Party's accuracy of billing, data and invoicing in accordance with this Agreement. Any audit shall be performed as follows: (i) following at least thirty (30) Business Days' prior written notice to the audited Party; (ii) subject to the reasonable scheduling requirements and limitations of the audited Party; (iii) at the auditing Party's sole cost and expense; (iv) of a reasonable scope and duration; (v) in a manner so as not to interfere with the audited Party's business operations; and (vi) in compliance with the audited Party's security rules.

10. Binding Effect.

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

11. Compliance with Laws and Regulations.

Each Party shall comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance under this Agreement.

12. Confidential Information.

12.1 Identification.

Either Party may disclose to the other proprietary or confidential customer, technical, or business information in written, graphic, oral or other tangible or intangible forms ("Confidential Information"). In order for information to be considered Confidential Information under this Agreement, it must be marked "Confidential" or "Proprietary," or bear a marking of similar import. Orally or visually disclosed information shall be deemed Confidential Information only if contemporaneously identified as such and reduced to writing and delivered to the other Party with a statement or marking of confidentiality within thirty (30) calendar days after oral or visual disclosure.

Notwithstanding the foregoing, preorders and all orders for services placed by LocalTel pursuant to this Agreement, and information that would constitute customer proprietary network information of LocalTel end user customers pursuant to the Act and the rules and regulations of the FCC, as well as recorded usage information with respect to LocalTel end users, whether disclosed by LocalTel to CenturyTel or otherwise acquired by CenturyTel in the course of its performance under this Agreement.

12.2 Handling.

In order to protect such Confidential Information from improper disclosure, each Party agrees:

- (a) That all Confidential Information shall be and shall remain the exclusive property of the source;

- (b) To limit access to such Confidential Information to authorized employees who have a need to know the Confidential Information for performance of this Agreement;
- (c) To keep such Confidential Information confidential and to use the same level of care to prevent disclosure or unauthorized use of the received Confidential Information as it exercises in protecting its own Confidential Information of a similar nature;
- (d) Not to copy, publish, or disclose such Confidential Information to others or authorize anyone else to copy, publish, or disclose such Confidential Information to others without the prior written approval of the source;
- (e) To return promptly any copies of such Confidential Information to the source at its request; and
- (f) To use such Confidential Information only for purposes of fulfilling work or services performed hereunder and for other purposes only upon such terms as may be agreed upon between the Parties in writing.

12.3 Exceptions.

These obligations shall not apply to any Confidential Information that was legally in the recipient's possession prior to receipt from the source, was received in good faith from a third party not subject to a confidential obligation to the source, now is or later becomes publicly known through no breach of confidential obligation by the recipient, was developed by the recipient without the developing persons having access to any of the Confidential Information received in confidence from the source, or that is required to be disclosed pursuant to subpoena or other process issued by a court or administrative agency having appropriate jurisdiction, provided, however, that the recipient shall give prior notice to the source and shall reasonably cooperate if the source deems it necessary to seek protective arrangements.

12.4 Survival.

The obligation of confidentiality and use with respect to Confidential Information disclosed by one Party to the other shall survive any termination of this Agreement for a period of three (3) years from the date of the initial disclosure of the Confidential Information.

13. Consent.

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

14. Fraud.

LocalTel assumes responsibility for all fraud associated with its end-user customers and accounts. CenturyTel shall bear no responsibility for, nor is it required to investigate or make adjustments to LocalTel's account in cases of fraud.

15. Reimbursement of Expenses.

In performing under this Agreement CenturyTel may be required to make expenditures or otherwise incur costs that are not otherwise reimbursed under this Agreement. In such event CenturyTel is entitled to reimbursement from LocalTel for all such costs, where such costs: (i) are proximately caused by the provision of interconnection to LocalTel; (ii) are not recovered through other means already; and (iii) are just, reasonable,

nondiscriminatory, and demonstrable. For all such costs and expenses CenturyTel shall receive through NRCs the actual costs and expenses incurred, including labor costs and expenses, overhead and fixed charges, and may include a reasonable contribution to CenturyTel's common costs.

16. Dispute Resolution.

16.1 Alternative to Litigation.

Except for the approval of this Agreement by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation wherever possible. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this dispute resolution process, the Parties agree to use the following alternative dispute resolution procedures as the sole remedy with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

16.2 Negotiations.

At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising out of or relating to this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise discoverable, be discovered or otherwise admissible, be admitted in evidence, in the arbitration or lawsuit.

16.3 Arbitration.

If the negotiations do not resolve the dispute within sixty (60) Business Days of the initial written request, the dispute shall be submitted to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association except that the Parties may select an arbitrator outside American Arbitration Association rules upon mutual agreement. A Party may demand such arbitration in accordance with the procedures set out in those rules. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this section. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of thirty-five (35) (none of which may have subparts) of the following: interrogatories, demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of one individual of another Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) Business Days of the demand for arbitration. The arbitration shall be held in a mutually agreeable city. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) Business Days after the close of hearings. The times specified in this section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. Notwithstanding

the foregoing, either Party may seek relief from the FCC, the Commission, or any other agency or court of competent jurisdiction with respect to disputes arising under this Agreement.

16.4 Expedited Arbitration Procedures.

If the issue to be resolved through the negotiations referenced in Section 17.2 directly and materially affects service to either Party's end-user customers, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to binding arbitration shall be five (5) Business Days. Once such a service affecting dispute is submitted to arbitration, the arbitration shall be conducted pursuant to the expedited procedures rules of the Commercial Arbitration Rules of the American Arbitration Association (i.e., rules 53 through 57).

16.5 Costs.

Each Party shall bear its own costs of these procedures. A Party seeking discovery shall reimburse the responding Party the costs of production of documents (including search time and reproduction costs). The Parties shall equally split the fees of the arbitration and the arbitrator.

16.6 Continuous Service.

The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties shall continue to perform their obligations in accordance with this Agreement.

17. Entire Agreement.

This Agreement constitutes the entire agreement of the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, negotiations, proposals, and representations, whether written or oral, and all contemporaneous oral agreements, negotiations, proposals, and representations concerning such subject matter. No representations, understandings, agreements, or warranties, expressed or implied, have been made or relied upon in the making of this Agreement other than those specifically set forth herein.

18. Expenses.

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

19. Force Majeure.

In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Customer, or any other circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon giving prompt notice to the other Party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); *provided however*, that the Party so affected shall use diligent efforts to avoid or remove such causes of nonperformance and both Parties shall proceed whenever such causes are removed or cease. Each Party shall treat the other in parity

with the manner in which it conducts its own operations in the case of a Force Majeure event.

20. Good Faith Performance.

In the performance of their obligations under this Agreement, the Parties shall act in good faith. In situations in which notice, consent, approval or similar action by a Party is permitted or required by any provision of this Agreement, such action shall not be conditional, unreasonably withheld or delayed.

21. Governing Law.

This Agreement shall be governed by and construed in accordance with applicable federal and (to the extent not inconsistent therewith) domestic laws of the state where the services are provided or the facilities reside and shall be subject to the exclusive jurisdiction of the courts therein.

22. Standard Practices.

The Parties acknowledge that CenturyTel shall be adopting some industry standard practices and/or establishing its own standard practices to various requirements hereunder applicable to the CLEC industry which may be added in the CenturyTel Guide. LocalTel agrees that CenturyTel may implement such practices to satisfy any CenturyTel obligations under this Agreement.

23. Headings.

The headings in this Agreement are inserted for convenience and identification only and shall not be considered in the interpretation of this Agreement.

24. Independent Contractor Relationship.

The persons provided by each Party shall be solely that Party's employees and shall be under the sole and exclusive direction and control of that Party. They shall not be considered employees of the other Party for any purpose. Each Party shall remain an independent contractor with respect to the other and shall be responsible for compliance with all laws, rules and regulations involving, but not limited to, employment of labor, hours of labor, health and safety, working conditions and payment of wages. Each Party shall also be responsible for payment of taxes, including federal, state and municipal taxes, chargeable or assessed with respect to its employees, such as Social Security, unemployment, workers' compensation, disability insurance, and federal and state withholding. Each Party shall indemnify the other for any loss, damage, liability, claim, demand, or penalty that may be sustained by reason of its failure to comply with this provision.

25. Law Enforcement Interface.

25.1 Except to the extent not available in connection with CenturyTel's operation of its own business, CenturyTel shall provide seven day a week/twenty-four hour a day assistance to law enforcement persons for emergency traps, assistance involving emergency traces and emergency information retrieval on customer invoked CLASS services.

25.2 CenturyTel agrees to work jointly with LocalTel in security matters to support law enforcement agency requirements for taps, traces, court orders, etc. Charges for providing such services for LocalTel customers will be billed to LocalTel.

- 25.3 CenturyTel will, in non-emergency situations, inform the requesting law enforcement agencies that the end-user to be wire tapped, traced, etc. is a LocalTel customer and shall refer them to LocalTel.
- 25.4 Subsequent to the execution and approval of this Agreement by the Commission, the parties shall establish a separate contract or authorization agreement specific to the Nuisance Call Bureau (NCB) and Security Control Center (SCC) for CLEC procedures, which will be in compliance with applicable state and federal laws.

26. Liability and Indemnity.

26.1 Indemnification.

Subject to the limitations set forth in Section 27.4 of this Article III, each Party agrees to release, indemnify, defend, and hold harmless the other Party from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, whether suffered, made, instituted, or asserted by any other party or person, for invasion of privacy, personal injury to or death of any person or persons, or for losses, damages, or destruction of property, whether or not owned by others, proximately caused by the indemnifying Party's negligence or willful misconduct, regardless of form of action. The indemnified Party agrees to notify the other Party promptly, in writing, of any written claims, lawsuits, or demands for which it is claimed that the indemnifying Party is responsible under this Section and to cooperate in every reasonable way to facilitate defense or settlement of claims. The indemnifying Party shall have complete control over defense of the case and over the terms of any proposed settlement or compromise thereof. The indemnifying Party shall not be liable under this Section for settlement by the indemnified Party or any claim, lawsuit, or demand, if the indemnifying Party has not approved the settlement in advance, unless the indemnifying Party has had the defense of the claim, lawsuit, or demand tendered to it in writing and has failed to assume such defense. In the event of such failure to assume defense, the indemnifying Party shall be liable for any reasonable settlement made by the indemnified Party without approval of the indemnifying Party.

26.2 End-User and Content-Related Claims.

The Indemnifying Party agrees to release, indemnify, defend, and hold harmless the other Party, its affiliates, and any third-party provider or operator of facilities involved in the provision of services or Facilities under this Agreement (collectively, the "Indemnified Party") from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, suffered, made, instituted, or asserted by the Indemnifying Party's end-users against an Indemnified Party arising from Services or Facilities. The Indemnifying Party further agrees to release, indemnify, defend, and hold harmless the Indemnified Party from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, suffered, made, instituted, or asserted by any third party against an Indemnified Party arising from or in any way related to actual or alleged defamation, libel, slander, interference with or misappropriation of proprietary or creative right, or any other injury to any person or property arising out of content transmitted by the Indemnifying Party and the Indemnified Party or such Party's end-users, or any other act or omission of the Indemnified Party or such Party's end-users.

26.3 DISCLAIMER.

EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, PROVIDER MAKES NO REPRESENTATIONS OR WARRANTIES TO CUSTOMER CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES, OR FACILITIES PROVIDED UNDER THIS AGREEMENT. PROVIDER DISCLAIMS, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.

26.4 Limitation of Liability.

Each Party's liability, whether in contract, tort or otherwise, shall be limited to direct damages, which shall not exceed the monthly charges, plus any related costs/expenses either Party may recover, including those under Section 15 above, and plus any costs/expenses for which the Parties specify reimbursement in this Agreement for the services or facilities for the month during which the claim of liability arose. Under no circumstance shall either Party be responsible or liable for indirect, incidental, or consequential damages, including, but not limited to, economic loss or lost business or profits, damages arising from the use or performance of equipment or software, or the loss of use of software or equipment, or any accessories attached thereto, delay, error, or loss of data. Should either Party provide advice, make recommendations, or supply other analysis related to the services or facilities described in this Agreement, this limitation of liability shall apply to provision of such advice, recommendations, and analysis.

26.5 Intellectual Property.

Neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other based on or arising from any claim, demand, or proceeding by any third party alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision or use of any facilities by either Party under this Agreement constitutes direct or contributory infringement, or misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any third party.

27. Multiple Counterparts.

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

28. No Third Party Beneficiaries.

Except as may be specifically set forth in this Agreement, this Agreement does not provide and shall not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other right or privilege.

29. Notices.

Any notice to a Party required or permitted under this Agreement shall be in writing and shall be deemed to have been received on the date of service if served personally, on the date receipt is acknowledged in writing by the recipient if delivered by regular U.S. mail, or on the date stated on the receipt if delivered by certified or registered mail or by a courier service that obtains a written receipt. Upon prior immediate oral agreement of the parties' designated recipients identified below, notice may also be provided by facsimile,

30.2 Resolution.

If either Party causes an Impairment in Service, the Party whose network or service is being impaired (the "Impaired Party") shall promptly notify the Party causing the Impairment of Service (the "Impairing Party") of the nature and location of the problem and that, unless promptly rectified, a temporary discontinuance of the use of any circuit, facility or equipment may be required. The Impairing Party and the Impaired Party agree to work together to attempt to promptly resolve the Impairment of Service. If the Impairing Party is unable to promptly remedy the Impairment of Service, then the Impaired Party may at its option temporarily discontinue the use of the affected circuit, facility or equipment.

31. Publicity.

Any news release, public announcement, advertising, or any form of publicity pertaining to this Agreement, provision of Services or Facilities pursuant to it, or association of the Parties with respect to provision of the services described in this Agreement shall be subject to prior written approval of both CenturyTel and LocalTel.

32. Regulatory Agency Control.

This Agreement shall at all times be subject to changes, modifications, orders, and rulings by the Federal Communications Commission and/or the applicable state utility regulatory commission to the extent the substance of this Agreement is or becomes subject to the jurisdiction of such agency.

33. Changes in Legal Requirements.

CenturyTel and LocalTel further agree that the terms and conditions of this Agreement were composed in order to effectuate the legal requirements in effect at the time the Agreement was produced. Any modifications to those requirements will be deemed to automatically supersede any terms and conditions of this Agreement.

34. Effective Date.

This Agreement will be effective only upon execution by both Parties and approval by the Commission. The "effective date" of this Agreement for all purposes will be the latest date reflected by the signing parties. The Parties agree orders for services will not be processed within the first ten (10) business days after the agreement is effective.

35. Regulatory Matters.

Each Party shall be responsible for obtaining and keeping in effect all FCC, state regulatory commission, franchise authority and other regulatory approvals that may be required in connection with the performance of its obligations under this Agreement.

If either Party does not provide necessary filing materials within 90 days of execution of this Agreement, any contract signatures will no longer be effective. If both Parties determine to proceed with filing, negotiations between the Parties will resume.

36. Rule of Construction.

No rule of construction requiring interpretation against the drafting Party hereof shall apply in the interpretation of this Agreement.

37. Section References.

Except as otherwise specified, references within an Article of this Agreement to a Section refer to Sections within that same Article.

38. Severability.

If any provision of this Agreement is held by a court or regulatory agency of competent jurisdiction to be unenforceable, the rest of the Agreement shall remain in full force and effect and shall not be affected unless removal of that provision results, in the opinion of either Party, in a material change to this Agreement. If a material change as described in this paragraph occurs as a result of action by a court or regulatory agency, the Parties shall negotiate in good faith for replacement language. If replacement language cannot be agreed upon within a reasonable period, either Party may terminate this Agreement without penalty or liability for such termination upon written notice to the other Party.

39. Subcontractors.

Provider may enter into subcontracts with third parties or affiliates for the performance of any of Provider's duties or obligations under this Agreement.

40. Subsequent Law.

The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules, or regulations that subsequently may be prescribed by any federal, state or local governmental authority. To the extent required by any such subsequently prescribed law, rule, or regulation, the Parties agree to modify, in writing, the affected term(s) and condition(s) of this Agreement to bring them into compliance with such law, rule, or regulation. Further, to the extent such law, rule, or regulation allows one or both Parties the choice to operate, voluntarily, in a manner contrary to the current term(s) and condition(s) of this Agreement, the Parties agree to modify, in writing, the affected term(s) and condition(s), should one or both Parties choose to avail themselves of such law, rule, or regulation. The Dispute Resolution provisions of Article III, Section 17 shall also govern any disputes arising out of or relating to such modifications.

41. Taxes.

Any state or local excise, sales, or use taxes (excluding any taxes levied on income) resulting from the performance of this Agreement shall be borne by the Party upon which the obligation for payment is imposed under applicable law, even if the obligation to collect and remit such taxes is placed upon the other Party. The collecting Party shall charge and collect from the obligated Party, and the obligated Party agrees to pay to the collecting Party, all applicable taxes, except to the extent that the obligated Party notifies the collecting Party and provides to the collecting Party appropriate documentation as CenturyTel requires that qualifies the obligated Party for a full or partial exemption. Any such taxes shall be shown as separate items on applicable billing documents between the Parties. The obligated Party may contest the same in good faith, at its own expense, and shall be entitled to the benefit of any refund or recovery, provided that such Party shall not permit any lien to exist on any asset of the other Party by reason of the contest. The collecting Party shall cooperate in any such contest by the other Party. The other Party will indemnify the collecting Party from any sales or use taxes that may be subsequently levied on payments by the other Party to the collecting Party.

41.1 Tax.

A charge which is statutorily imposed by the state or local jurisdiction and is either (a) imposed on the seller with the seller having the right or responsibility to pass the charge(s) on to the purchaser and the seller is responsible for remitting the charge(s) to the state or local jurisdiction or (b) imposed on the purchaser with the seller having an obligation to collect the charge(s) from the purchaser and remit the charge(s) to the state or local jurisdiction.

Taxes shall include but not be limited to: federal excise tax, state/local sales and use tax, state/local utility user tax, state/local telecommunication excise tax,

state/local gross receipts tax, and local school taxes. Taxes shall not include income, income-like, gross receipts on the revenue of a Provider, or property taxes. Taxes shall not include payroll withholding taxes unless specifically required by statute or ordinance.

41.2 Fees/Regulatory Surcharges.

A charge imposed by a regulatory authority, other agency, or resulting from a contractual obligation, in which the seller is responsible or required to collect the fee/surcharge from the purchaser and the seller is responsible for remitting the charge to the regulatory authority, other agency, or contracting party.

Fees/Regulatory Surcharges shall include but not be limited to E-911/911, E311/311, franchise fees, and Commission surcharges.

42. Trademarks and Trade Names.

Except as specifically set out in this Agreement, nothing in this Agreement shall grant, suggest, or imply any authority for one Party to use the name, trademarks, service marks, or trade names of the other for any purpose whatsoever.

43. Waiver.

The failure of either Party to insist upon the performance of any provision of this Agreement, or to exercise any right or privilege granted to it under this Agreement, shall not be construed as a waiver of such provision or any provisions of this Agreement, and the same shall continue in full force and effect.

44. Environmental Responsibility.

The Parties agree that prior to such time as either Party may place its equipment in the other Party's premises pursuant to a collocation or some other arrangement, the Parties will negotiate appropriate terms with respect to responsibility for environmental matters.

45. TBD Prices.

If a provision references prices in an Attachment and there are no corresponding prices in such Attachment, such price shall be considered "To Be Determined" (TBD). With respect to all TBD prices, prior to LocalTel ordering any such TBD item, the Parties shall meet and confer to establish a price. If the Parties are unable to reach agreement on a price for such item, an interim price shall be set for such item that is equal to the price for the nearest analogous item for which a price has been established. Any interim prices so set shall be subject to modification by any subsequent decision of the Commission. If an interim price is different from the rate subsequently established by the Commission, any underpayment shall be paid by LocalTel to CenturyTel, and any overpayment shall be refunded by CenturyTel to LocalTel, within 45 Business Days after the establishment of the price by the Commission.

46. Rural Telephone Company.

CenturyTel represents and warrants that it is a "rural telephone company" as that term is defined in the Act, 47 U.S.C. 153. Pursuant to Section 251(f)(1) of the Act, CenturyTel is exempt from Section 251 (c) of the Act. Notwithstanding such exemption, CenturyTel has entered into and accepted this Agreement for purposes of exchanging traffic, as defined in Article IV, Section 3 herein, with LocalTel. CenturyTel's execution of this Agreement does not in any way constitute a waiver or limitation of CenturyTel's rights under Section 251 (f)(1) or 251(f)(2) of the Act. Accordingly, CenturyTel expressly reserves the right to assert its right to an exemption or waiver and modification of Section

251 (c) of the Act, in response to other requests for interconnection by LocalTel or any other carrier.

ARTICLE IV

CONNECTION AND TRANSPORT AND TERMINATION OF TRAFFIC

1. Services Covered by This Article.

1.1 Types of Services.

This Article governs the provision of internetwork facilities (i.e., physical connection services and facilities), by CenturyTel to LocalTel or by LocalTel to CenturyTel and the transport and termination and billing of Local Traffic between CenturyTel and LocalTel. For purposes of this Agreement, Local Traffic shall be defined per Appendix B, Section 1.58. Traffic not meeting the definition of Local Traffic is not subject to this Agreement. CenturyTel reserves the right to otherwise seek compensation for such non-Local Traffic including the imposition of access charges where appropriate.

1.1.1 LocalTel initiates orders for trunk-side Local Traffic connection services by sending an LSR to CenturyTel. The ordering process is described in the CenturyTel Guide. The LSR will be reviewed by CenturyTel for validation and correction of errors. Errors will be referred back to LocalTel. LocalTel then will correct any errors that CenturyTel has identified and resubmit the request to CenturyTel through a supplemental LSR.

2. Billing and Rates.

2.1 Service Ordering, Service Provisioning, and Billing.

The following describes generally the processes CenturyTel will use for ordering, provisioning and billing for connection facilities and services. Except as specifically provided otherwise in this Agreement, service ordering, provisioning, billing and maintenance shall be governed by the CenturyTel Guide.

2.2 Rates and Charges.

Customer agrees to pay to Provider the rates and charges for the Services set forth in the applicable appendices to this Agreement. Rates and charges are set forth in Appendix A attached to this Agreement and made a part hereof.

2.3 Billing.

CenturyTel shall render to LocalTel a bill for direct connection services on a current basis. Charges for physical facilities and other non-usage sensitive charges shall be billed in advance, except for charges and credits associated with the initial or final bills. Usage sensitive charges, such as charges for termination of Local Traffic, shall be billed in arrears.

2.4 Billing Specifications.

The Parties agree that billing requirements and outputs will be consistent with the Telcordia Technologies Billing Output Specifications (BOS).

2.4.1 Usage Measurement: Usage measurement for calls shall begin when Answer Supervision or equivalent Signaling System 7 (SS7) message is received from the terminating office and shall end at the time of call disconnect by the calling or called subscriber, whichever occurs first.

2.4.2 Minutes of use (MOU), or fractions thereof, shall not be rounded upward on a per-call basis, but will be accumulated over the billing period. At the

end of the billing period, any remaining fraction shall be rounded up to the nearest whole minute to arrive at total billable minutes. MOU shall be collected and measured in minutes, seconds, and tenth of seconds.

3. Transport and Termination of Local Traffic.

3.1 Traffic to be Exchanged.

The Parties shall reciprocally terminate Local Traffic originating on each other's networks utilizing either Direct or Indirect Network Connections as provided in Section 4 or Section 5 herein. To this end, the Parties agree that there will be interoperability between their networks. In addition, the Parties will notify each other of any anticipated change in traffic to be exchanged (e.g., traffic type, volume).

3.2 Compensation for Exchange of Local Traffic.

3.2.1 Mutual Compensation. The Parties shall compensate each other for the exchange of Local Traffic originated by or terminating to the Parties' end-user customers in accordance with Section 3.2.2 of this Article. The Parties agree to the initial state level exempt factor representative of the share of traffic exempt from local compensation. This initial exempt factor is set forth in Appendix A. This factor will be updated quarterly in like manner or as the Parties otherwise agree. Once the traffic that is exempt from local compensation can be measured, the actual exempt traffic will be used rather than the above factor. Charges for the transport and termination of optional EAS, intraLATA toll and interexchange traffic shall be in accordance with the Parties' respective intrastate or interstate access tariffs, as appropriate.

3.2.2 Bill-and-Keep. The Parties shall assume that Local Traffic originated by or terminating to the Parties' end-user customers is roughly balanced between the parties unless traffic studies indicate otherwise. Accordingly, the Parties agree to use a Bill-and-Keep Arrangement with respect to termination of Local Traffic only. Either Party may initiate a traffic study no more frequently than once a quarter. Such traffic study shall examine all Local Traffic excluding Local Traffic that is also Information Access Traffic. Should such traffic study indicate, in the aggregate, that either Party is terminating more than 60 percent of the Parties' total terminated minutes for Local Traffic excluding Local Traffic that is also Information Access Traffic, either Party may notify the other that mutual compensation will commence for such Local Traffic, excluding Local Traffic that is also Information Access Traffic, pursuant to the rates set forth in Appendix A of this Agreement and following such notice it shall begin and continue for the duration of the Term of this Agreement unless otherwise agreed. Local Traffic that is also Information Access Traffic will remain subject to Bill-and-Keep .

3.3 Tandem Switching Local Traffic.

The Parties will provide tandem switching for Local Traffic between the Parties' end offices subtending each other's access tandem.

The Parties agree to enter into their own agreements with third-party providers. In the event that LocalTel sends traffic through CenturyTel's network to a third-party provider with whom LocalTel does not have a traffic interexchange agreement, then LocalTel agrees to indemnify CenturyTel for any termination charges rendered by a third-party provider for such traffic.

4. Network Connection.

4.1 Network Connection Architecture.

LocalTel may connect with CenturyTel on its network at any of the minimum Currently Available points required by the FCC. Connection at additional points will be reviewed on an individual case basis. Where the Parties mutually agree following a Bona Fide Request (BFR) to directly connect their respective networks, connection will be as specified in the following subsections. Based on the configuration, the installation time line will vary considerably, however, CenturyTel will work with LocalTel in all circumstances to install IPs within 120 calendar days absent extenuating circumstances. Internetwork connection and protocol must be based on industry standards developed consistent with Section 256 of the Act.

4.1.1 Subject to mutual agreement, the Parties may use the following types of network facility connection, using such interface media as are (i) appropriate to support the type of connection requested and (ii) available at the facility at which connection is requested.

a. A Mid-Span Fiber Meet within an existing CenturyTel exchange area whereby the Parties mutually agree to jointly plan and engineer their facility IP at a designated manhole or junction location. The IP is the demarcation between ownership of the fiber transmission facility.

b. A special access and/or CLEC Dedicated Transport arrangement terminating at a CenturyTel Wire Center subject to the rates, terms, and conditions contained in CenturyTel's applicable tariffs. These facilities will meet the standards set forth in such tariffs.

c. If permitted by the provider, LocalTel may exchange traffic via indirect connections by transiting a third-party provider's interconnection with CenturyTel. In the event that LocalTel sends traffic through a third-party provider, then LocalTel agrees to indemnify CenturyTel for any termination, transiting or tandem charges rendered by a third-party provider for such traffic.

4.1.2 Where direct connection is utilized under options (a) or (b) above, the Parties will mutually designate at least one IP on CenturyTel's network within each CenturyTel local calling area for the routing of Local Traffic.

4.2 Compensation.

The Parties agree to the following compensation for inter-network facilities, depending on facility type. Only Local Traffic will be used for calculation of this compensation.

4.2.1 Mid-Span Fiber Meet: CenturyTel will charge special access (flat rated) transport from the applicable access tariff and will rate charges between the IP and CenturyTel's switch. Charges will be reduced to reflect the proportionate share of the facility that is used for transport of traffic originated by CenturyTel excluding Local Traffic that is also Information Access Traffic. The initial proportionate share factor for facilities is set forth in Appendix A. This factor will be updated quarterly in like manner or as the Parties otherwise agree. LocalTel will charge flat rated transport to CenturyTel for LocalTel facilities used by CenturyTel at tariffed rates or as mutually agreed. LocalTel will apply charges based on the lesser of;

(i) the airline mileage from the IP to the LocalTel switch; or (ii) the airline mileage from the CenturyTel switch to the serving area boundary.

- 4.2.2 Special Access and/or CLEC Dedicated Transport: CenturyTel will charge special access and/or switched access rates from the applicable CenturyTel access tariff. Charges will be reduced to reflect the proportionate share of the facility that is used for transport of traffic originated by CenturyTel excluding Local Traffic that is also Information Access Traffic. The Parties will negotiate an initial factor representative of the proportionate share of the facilities. This factor will be updated quarterly in like manner or as the Parties otherwise agree.

4.3 Trunking Requirements.

The Parties shall meet and agree on trunking availability and requirements in order for the Parties to begin exchange of traffic.

- 4.3.1 The Parties agree to establish trunk groups of sufficient capacity from the interconnecting facilities such that trunking is available to any switching center designated by either Party, including end offices, tandems, and 911 routing switches. The Parties will mutually agree where one-way or two-way trunking will be available. The Parties may use two-way trunks for delivery of Local Traffic or either Party may elect to provision its own one-way trunks for delivery of Local Traffic to the other Party. If a Party elects to provision its own one-way trunks for Local Traffic, that Party will be responsible for its own expenses associated with the trunks.

- 4.3.2 LocalTel shall make available to CenturyTel trunks over which CenturyTel shall terminate to end-users of LocalTel-provided Exchange Services and Local Traffic originated from end-users of CenturyTel-provided Exchange Service.

- 4.3.3 LocalTel and CenturyTel shall, where applicable, make reciprocally available, by mutual agreement, the required trunk groups to handle different traffic types. LocalTel and CenturyTel will support the provisioning of trunk groups that carry combined or separate Local Traffic. CenturyTel requires separate trunk groups from LocalTel to originate and terminate interLATA calls and to provide Switched Access Service to IXCs. To the extent LocalTel desires to have any IXCs originate or terminate switched access traffic to or from LocalTel, using jointly provided switched access facilities routed through a CenturyTel access tandem, it is the responsibility of LocalTel to arrange for such IXC to issue an ASR to CenturyTel to direct CenturyTel to route the traffic. If CenturyTel does not receive an ASR from the IXC, CenturyTel will initially route the switched access traffic between the IXC and LocalTel. If the IXC subsequently indicates that it does not want the traffic routed to or from LocalTel, CenturyTel will not route the traffic.

- 4.3.3.1 Each Party agrees to route traffic only over the proper jurisdictional trunk group.

- 4.3.3.2 Each Party shall only deliver traffic over the local connection trunk groups to the other Party's access tandem for those publicly-dialable NXX Codes served by end offices that directly subtend the access tandem or to those wireless service providers that directly subtend the access tandem.

4.3.3.3 Neither party shall route Switched Access Service traffic over local connection trunks, or Local Traffic over Switched Access Service trunks.

4.3.4 End-Office Trunking. The Parties will work together to establish high usage end-office trunk groups sufficient to handle the greater of the actual or reasonably forecasted traffic volumes between a LocalTel end office and a CenturyTel end office.

4.3.5 LocalTel and CenturyTel will reciprocally provide Percent Local Usage (PLU) factors to each other on or before January 15 and July 15 of each year to identify the proper percent of Local Traffic carried on local connection trunks. If either Party does not provide to the other Party an updated PLU, the previous PLU will be utilized. The parties agree to the initial PLU factor as set forth in Appendix A. Notwithstanding the above, either party may use actual call detail to bill instead of using provided PLUs provided that the party has the technical means to identify and jurisdictionalize call detail. In such a case, written notice will be provided to the other party that such a capability exists and will be used.

4.3.6 Reciprocal traffic exchange arrangement trunk connections shall be made at a DS-1 or multiple DS-1 level, DS-3, (Synchronous Optical Network (SONET)) where technically available) and shall be jointly engineered to the appropriate industry grade of service standard B.01 or B.005.

4.3.7 LocalTel and CenturyTel agree to use diligent efforts to develop and agree on a Joint Connection Grooming Plan prescribing standards to ensure that the reciprocal traffic exchange arrangement trunk groups are maintained at the appropriate industry grades of service standard B.01 or B.005. Such plan shall also include mutually-agreed upon default standards for the configuration of all segregated trunk groups.

4.3.8 SS7 Common Channel Signaling will be used to the extent that such technology is available. If SS7 is not available, Multi-Frequency Signaling (MF) will be used as specified.

4.3.9 The Parties agree to offer and provide to each other B8ZS Extended Superframe Format (ESF) facilities, where available, capable of voice and data traffic transmission.

4.3.10 The Parties will support intercompany 64kbps clear channel where available.

4.3.11 Orders between the Parties to establish, add, change or disconnect trunks shall be processed by use of a Local Service Request (LSR), or another industry standard eventually adopted to replace the LSR for local service ordering.

4.4 Trunk Facility Under Utilization.

At least once a year the Parties shall exchange trunk group measurement reports for trunk groups terminating to the other Party's network. In addition and from time to time, each Party will determine the required trunks for each of the other Party's trunk groups from the previous 12 months servicing data. Required trunks will be based on the appropriate grade of service standard (B.01 or B.005) or the Joint Connection Grooming Plan referenced in Section 4.3.7. When a condition of excess capacity is identified, CenturyTel will facilitate a review of the trunk

group existing and near term (3 to 6 months) traffic requirements with the customer for possible network efficiency adjustment.

4.5 Network Redesigns Initiated by CenturyTel.

CenturyTel will not charge LocalTel when CenturyTel initiates its own network redesigns/reconfigurations.

5. Indirect Network Connection.

Neither Party shall deliver traffic destined to terminate at the other Party's end office via another LEC's end office except as provided for in Section 4.1.1 (c). In addition, neither Party shall deliver traffic destined to terminate at an end office subtending the other Party's access tandem via another LEC's access tandem until such time as compensation arrangements have been established in accordance with this Article IV, Sections 3.1 and 3.3.

6. Common Channel Signaling.

6.1 Service Description.

The Parties will provide Common Channel Signaling (CCS) to one another via Signaling System 7 (SS7) network connection, where and as available, in the manner specified in FCC Order 95-187, in conjunction with all traffic exchange trunk groups. The Parties will cooperate on the exchange of all appropriate SS7 messages for local and intraLATA call set-up signaling, including ISDN User Part (ISUP) and Transaction Capabilities Application Part (TCAP) messages to facilitate full interoperability of all CLASS Features and functions between their respective networks. Any other SS7 message services to be provided using TCAP messages (such as data base queries) will be jointly negotiated and agreed upon.

6.2 Signaling Parameters.

All SS7 signaling parameters will be provided in conjunction with traffic exchange trunk groups, where and as available. These parameters include Automatic Number Identification (ANI), Calling Party Number (CPN), Privacy Indicator, calling party category information, originating line information, charge number, etc. Also included are all parameters relating to network signaling information, such as Carrier Information Parameter (CIP), wherever such information is needed for call routing or billing.

6.3 Privacy Indicators.

Each Party will honor all privacy indicators as required under applicable law.

6.4 Connection Through Signal Transfer Point (STP).

LocalTel must interconnect with the CenturyTel STP(s) serving the LATA in which the traffic exchange trunk groups are interconnected. Such connection shall be negotiated and contracted with CenturyTel Service Group, LLC.

6.5 Third Party Signaling Providers.

LocalTel may choose a third-party SS7 signaling provider.

6.6 Multi-Frequency Signaling.

In the case where CCS is not available, in band Multi-Frequency (MF), wink start, E & M channel associated signaling with ANI will be provided by the Parties. Network signaling information, such as CIC/OZZ, will be provided wherever such information is needed for call routing or billing.

7. Network Management Controls.

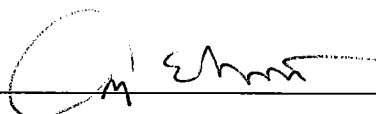
Each Party shall provide a 24-hour contact number for Network Traffic Management issues to the other's network surveillance management center. A fax number must also be provided to facilitate event notifications for planned mass calling events. Additionally, both Parties agree that they shall work cooperatively that all such events shall attempt to be conducted in such a manner as to avoid degradation or loss of service to other end-users. Each Party shall maintain the capability of respectively implementing basic protective controls such as "Cancel To" and "Call Gap."

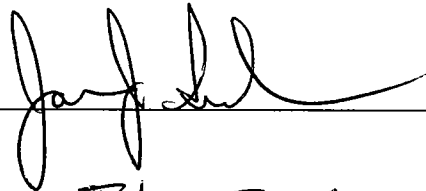
ARTICLE V
SIGNATURE PAGE

IN WITNESS WHEREOF, each Party has executed this Agreement. -. The "effective date" of this Agreement for such purposes will be established by the date of the final signature on this agreement subject to confirmation by Commission approval order.

CenturyTel of Washington, Inc.
CenturyTel of Inter Island, Inc.
CenturyTel of Cowiche, Inc.

Computer 5, Inc. d/b/a
LocalTel Communications

By  _____

By  _____

Name Guy Miller

Name: John J. SEABECK

Title Director - Carrier Relations

Title: V.P.

Date 4/30/04

Date 4/23/04

APPENDIX A

RATES AND CHARGES FOR TRANSPORT AND TERMINATION OF TRAFFIC

General. The rates contained in this Appendix A are the rates as defined in Article IV and are subject to change resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine CenturyTel's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered CenturyTel costs), or any appeal or other litigation.

Each Party will bill the other Party as appropriate:

A. Reciprocal Compensation

Local Traffic excluding Local Traffic that is also Information Access Traffic (If invoked pursuant to Article IV, Section 3.2.2)	\$0.018 per minute of use
Local Traffic that is also Information Access Traffic	Bill & Keep

B. Tandem Switching and Transiting

Tandem Switching:	\$.00852 per minute of use
Tandem Transport	Appropriate interstate access tariff
Transport Termination	Appropriate interstate access tariff
Transiting Charge:	\$.00852 per minute of use
Tandem Transport	Appropriate interstate access tariff
Transport Termination	Appropriate interstate access tariff

C. Initial Factors:

1.	PLU	95%
2.	Initial Proportionate Share Factor	50%
3.	Exempt Factor	5%

APPENDIX B

DEFINITIONS

1. General Definitions.

Except as otherwise specified herein, the following definitions shall apply to all Articles and Appendices contained in this Agreement. Additional definitions that are specific to the matters covered in a particular Article may appear in that Article. To the extent that there may be any conflict between a definition set forth in this Appendix B and any definition in a specific Article or Appendix, the definition set forth in the specific Article or Appendix shall control with respect to that Article or Appendix.

1.1 Access Service Request (ASR)

An industry standard form, which contains data elements and usage rules used by the Parties to add, establish, change or disconnect services or trunks for the purposes of Interconnection.

1.2 Act

The Telecommunications Act of 1996, Public Law 104-104 of the 104th United States Congress effective February 8, 1996.

1.3 Affiliate

A person, corporation or other legal entity that, directly or indirectly, owns or controls a Party, or is owned or controlled by, or is under common ownership or control with a Party.

1.4 Answer Supervision

An off-hook supervisory signal.

1.5 Applicable Law

All laws, statutes, common law, regulations, ordinances, codes, rules, guidelines, orders, permits, and approvals of any Governmental Authority, which apply or relate to the subject matter of this Agreement.

1.6 As-Is Transfer (AIT)

The transfer of all telecommunications services and features available for resale, that are currently being provided for a specific account, without the requirements of a specific enumeration of the services and features on the Local Service Request (LSR).

1.7 Automatic Location Identification/Data Management System (ALI/DMS)

The emergency services (E-911/911) database containing customer location information (including name, address, telephone number, and sometimes special information from the local service provider) used to process subscriber access records into Automatic Location Identification (ALI) records.

1.8 Automated Message Accounting (AMA)

The structure inherent in switch technology that initially records telecommunication message information. AMA format is contained in the Automated Message Accounting document, published by Telcordia Technologies as GR-1100-CORE, which defines the industry standard for message recording.

1.9 Automatic Number Identification (ANI)

The number transmitted through the network identifying the calling party.

1.10 Basic Local Exchange Service

Voice grade access to the network that provides: the ability to place and receive calls; touch-tone service, access to operator services; access to directory assistance; access to emergency services (E911); access to telephone relay service (TRS); access to interexchange carriers of the customer's choice; standard white pages directory listing; and toll blocking for low-income consumers participating in Lifeline (subject to technical feasibility).

1.11 Bill-and-Keep Arrangement

A compensation arrangement whereby the Parties do not render bills to each other for the termination of Local Traffic specified in this Agreement and whereby the Parties terminate local exchange traffic originating from end-users served by the networks of the other Party without explicit charging among or between said carriers for such traffic exchange.

1.12 Bona Fide Request (BFR)

Process intended to be used when requesting customized Service Orders for certain services, features, capabilities or functionality defined and agreed upon by the Parties as services to be ordered as BFRs.

1.13 Business Day

Monday through Friday, except for holidays on which the U.S. mail is not delivered.

1.14 Central Office Switch

A switch used to provide telecommunications services including (1) End Office Switches which are Class 5 switches from which end-user Exchange Services are directly connected and offered, and (2) Tandem Office Switches which are Class 4 switches which are used to connect and switch trunk circuits between and among central office switches. Central office switches may be employed as combination end office/tandem office switches (combination Class 5/Class 4).

1.15 Centralized Message Distribution System (CMDS)

The billing record and clearing house transport system that the Regional Bell Operating Companies (RBOCs) and other incumbent LECs use to efficiently exchange out collects and in collects as well as Carrier Access Billing System (CABS) records.

1.16 CLLI Codes

Common Language Location Identifier Codes.

1.17 Commission

The Washington Utilities and Transportation Commission.

1.18 Common Channel Signaling (CCS)

A high-speed specialized packet-switched communications network that is separate (out-of-band) from the public packet-switched and message networks. CCS carries addressed signaling messages for individual trunk circuits and/or database-related services between Signaling Points in the CCS network using SS7 signaling protocol.

1.19 Competitive Local Exchange Carrier (CLEC)

Any company or person authorized to provide local exchange services in competition with an ILEC.

1.20 Compliance

Environmental and safety laws and regulations based upon a federal regulatory framework, with certain responsibilities delegated to the States. An environmental/safety compliance program may

include review of applicable laws/regulations, development of written procedures, training of employees and auditing.

1.21 Conversation Time

The time that both Parties' equipment is used for a completed call, measured from the receipt of Answer Supervision to the receipt of Disconnect Supervision.

1.22 Currently Available

Existing as part of CenturyTel's network at the time of the requested order or service and does not include any service, feature, function or capability that CenturyTel either does not provide to itself or to its own end users, or does not have the capability to provide.

1.23 Customer

CenturyTel or LocalTel, depending on the context and which Party is receiving the service from the other Party.

1.24 Customer Service Record Search

Applied to LSR when CLEC requests a customer service record search prior to account conversion from CenturyTel or from another CLEC. Search typically is for basic account information, listing/directory information, service and equipment listing, and billing information. Applied on a per requested loop basis.

1.25 Dedicated Transport

An Unbundled Network Element that is purchased for the purpose of transporting Telecommunication Services between designated Serving Wire Centers (SWC). Dedicated Transport may extend between two CenturyTel SWCs (Interoffice Dedicated Transport or IDT) or may extend from the CenturyTel SWC to the CLEC premise (CLEC Dedicated Transport or CDT). CDT remains within the exchange boundaries of the SWC, while IDT traverses exchange boundaries.

1.26 Disconnect Supervision

An on-hook supervisory signal end at the completion of a call.

1.27 DS-1

A service carried at digital signal rate of 1.544 Mbps.

1.28 DS-3

A service carried at digital signal rate of 44.736 Mbps.

1.29 Electronic File Transfer

A system or process that utilizes an electronic format and protocol to send/receive data files.

1.30 E-911 Service

A method of routing 911 calls to a PSAP that uses a customer location database to determine the location to which a call should be routed. E-9-1-1 service includes the forwarding of the caller's Automatic Number Identification (ANI) to the PSAP where the ANI is used to retrieve and display the Automatic Location Identification (ALI) on a terminal screen at the answering Attendant's position. It usually includes selective routing.

1.31 Exchange Message Record (EMR)

An industry standard record used to exchange telecommunications message information among CLECs for billable, non-billable, sample, settlement and study data. EMR format is defined in BR-010-200-010 CRIS Exchange Message Record, published by Telcordia Technologies.

1.32 Exchange Service

All basic access line services, or any other services offered to end users which provide end users with a telephonic connection to, and a unique telephone number address on, the Public Switched Telecommunications Network (PSTN), and which enable such end users to place or receive calls to all other stations on the PSTN.

1.33 Expanded Interconnection Service (EIS)

A service that provides interconnecting carriers with the capability to terminate basic fiber optic transmission facilities, including optical terminating equipment and multiplexers, at CenturyTel's wire centers and access tandems and interconnect those facilities with the facilities of CenturyTel. Microwave is available on a case-by-case basis where feasible.

1.34 Facility

All buildings, equipment, structures and other items located on a single site or contiguous or adjacent sites owned or operated by the same persons or person as used in Article III, Section 44.

1.35 FCC

The Federal Communications Commission.

1.36 Generator

Under the Resource Conservation Recovery Act (RCRA), the person whose act produces a hazardous waste (40 CFR 261) or whose act first causes a hazardous waste to become subject to regulation. The generator is legally responsible for the proper management and disposal of hazardous wastes in accordance with regulations (see reference in Article III, Section 44).

1.37 CenturyTel Guide

The CenturyTel Guide, which contains CenturyTel's operating procedures for ordering, provisioning, trouble reporting and repair for resold services and unbundled elements. Except as specifically provided otherwise in this Agreement, service ordering, provisioning, billing and maintenance shall be governed by the Guide, which may be amended from time to time by CenturyTel as needed.

1.38 CTOC

CenturyTel Operating Company.

1.39 Hazardous Chemical

As defined in the U.S. Occupational Safety and Health (OSHA) hazard communication standard (29 CFR 1910.1200), any chemical which is a health hazard or physical hazard.

1.40 Hazardous Waste

As described in Resource Conservation Recovery Act (RCRA), a solid waste(s) which may cause, or significantly contribute to an increase in mortality or illness or pose a substantial hazard to human health or the environment when improperly treated, stored, transported or disposed of or otherwise managed because of its quantity, concentration or physical or chemical characteristics.

1.41 Imminent Danger

As described in the Occupational Safety and Health Act and expanded for environmental matters, any conditions or practices at a facility which are such that a danger exists which could reasonably be expected to cause death or serious harm or significant damage to the environment or natural resources.

1.42 Incumbent Local Exchange Carrier (ILEC)

Any local exchange carrier that was as of February 8, 1996, deemed to be a member of the Exchange Carrier Association as set forth in 47 C.F.R. §69.601(b) of the FCC's regulations.

1.43 Information Access Traffic

The Provision of specialized telecommunications services in connection with the origination, termination, transmission, switching, forwarding or routing of Information Service traffic to or from the facilities of an ISP. Information Access Traffic is not Local Traffic unless the traffic is between an end user and an ISP physically located in the same CenturyTel local calling area. The term Information Access Traffic does not include transmission of voice telecommunications traffic regardless of whether it is delivered to an ISP and regardless of whether it is carried at any point on facilities via internet protocol.

1.44 Information Service Provider

A provider of Information Service, as defined in 47 U.S.C. 153(20). Information Service Provider includes, but is not limited to, Internet Service Providers.

1.45 Initial Service Order

A charge applied to each LSR of Unbundled Loops with the exception of Subsequent Service Order changes to existing CLEC accounts.

1.46 Interconnection Facility

See "Internetwork Facilities"

1.47 Interconnection Point (IP)

The physical point on the network where the two parties interconnect. The IP is the demarcation point between ownership of the transmission facility.

1.48 Interexchange Carrier (IXC)

A telecommunications service provider authorized by the FCC to provide interstate long distance communications services between LATAs and is authorized by the State to provide inter- and/or intraLATA long distance communications services within the State.

1.49 Interim Number Portability (INP)

The delivery of Local Number Portability (LNP) capabilities, from a customer standpoint in terms of call completion, with as little impairment of functioning, quality, reliability, and convenience as possible and from a carrier standpoint in terms of compensation, through the use of existing and available call routing, forwarding, and addressing capabilities.

1.50 Internetwork Facilities

The physical connection of separate pieces of equipment, transmission facilities, etc., within, between and among networks, for the transmission and routing of exchange service and exchange access.

1.51 ISDN User Part (ISUP)

A part of the SS7 protocol that defines call setup messages and call takedown messages.

1.52 Line Side

Refers to an end office switch connection that has been programmed to treat the circuit as a local line connected to an ordinary telephone station set. Line side connections offer only those transmission and signaling features appropriate for a connection between an end office and an ordinary telephone set.

1.53 Local Access and Transport Area (LATA)

A geographic area for the provision and administration of communications service; i.e., intraLATA or interLATA.

1.54 Local Exchange Carrier (LEC)

Any company certified by the Commission to provide local exchange telecommunications service. This includes the Parties to this Agreement.

1.55 Local Exchange Routing Guide (LERG)

The Telcordia Technologies reference customarily used to identify NPA-NXX routing and homing information, as well as network element and equipment designation.

1.56 Local Number Portability (LNP)

The ability of users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another.

1.57 Local Service Request (LSR)

The industry standard form, which contains data elements and usage rules, used by the Parties to establish, add, change or disconnect resold services and unbundled elements for the purposes of competitive local services.

1.58 Local Traffic

Traffic that is originated by an end user of one Party and terminates to the end user of the other Party within CenturyTel's then current local calling area, including mandatory expanded local calling area arrangements. Traffic to and from an end-user not within a CenturyTel local calling area will be subject to access charges. A mandatory expanded local calling area arrangement is an arrangement that provides end users Extended Area Service (EAS), beyond their basic exchange serving area. Local Traffic does not include optional local calling (i.e., optional rate packages that permit the end user to choose a local calling area beyond their basic exchange serving area for an additional fee), referred to hereafter as "optional EAS".

1.59 Loop Facility Charge

A charge applied to LSRs when fieldwork is required for establishment of unbundled loop service. Applied on a per LSR basis.

1.60 Main Distribution Frame (MDF)

The distribution frame used to interconnect cable pairs and line trunk equipment terminating on a switching system.

1.61 Meet-Point Billing (MPB)

Refers to an arrangement whereby two LECs jointly provide the transport element of a switched access service to one of the LEC's end office switches, with each LEC receiving an appropriate share of the transport element revenues as defined by the effective access tariffs.

1.62 Mid-Span Fiber Meet

An Interconnection architecture whereby two carriers' fiber transmission facilities meet at a mutually agreed-upon IP.

1.63 Multiple Exchange Carrier Access Billing (MECAB)

Refers to the document prepared by the Billing Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECAB document, published by Telcordia Technologies as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an access service provided by two or more LECs, or by one LEC in two or more states within a single LATA.

1.64 Multiple Exchange Carriers Ordering and Design Guidelines for Access Services - Industry Support Interface (MECOD)

A document developed by the Ordering/Provisioning Committee under the auspices of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECOD document, published by Telcordia Technologies as Special Report SR-STS-002643, establishes methods for processing orders for access service that is to be provided by two or more LECs.

1.65 Network Interface Device (NID)

The point of demarcation between the end user's inside wiring and CenturyTel's facilities.

1.66 911 Service

A universal telephone number that gives the public direct access to the PSAP. Basic 911 service collects 911 calls from one or more local exchange switches that serve a geographic area. The calls are then sent to the correct authority designated to receive such calls.

1.67 North American Numbering Plan (NANP)

The system of telephone numbering employed in the United States, Canada, and Caribbean countries that employ NPA 809.

1.68 Numbering Plan Area (NPA)

Also sometimes referred to as an area code, is the three-digit indicator which is defined by the "A", "B", and "C" digits of each 10-digit telephone number within the NANP. Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A Geographic NPA is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A Non-Geographic NPA, also known as a "Service Access Code" or "SAC Code" is typically associated with a specialized telecommunications service that may be provided across multiple geographic NPA areas. 800, 900, 700, and 888 are examples of Non-Geographic NPAs.

1.69 NXX, NXX Code, Central Office Code or CO Code

The three-digit switch entity indicator that is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the NANP. Each NXX Code contains 10,000 station numbers.

1.70 Owner or Operator

As used in OSHA regulations, owner is the legal entity, including a lessee, which exercises control over management and record keeping functions relating to a building or facility. As used in the Resource Conservation and Recovery Act (RCRA), operator means the person responsible for the overall (or part of the) operations of a facility (see reference in Article III, Section 44).

1.71 Party/Parties

CenturyTel and/or LocalTel.

1.72 Pole Attachment

Refers to the definition set forth in Article X.

1.73 Provider

CenturyTel or LocalTel depending on the context and which Party is providing the service to the other Party.

1.74 Public Safety Answering Point (PSAP)

An answering location for 9-1-1 calls originating in a given area. A PSAP may be designated as Primary or Secondary, which refers to the order in which calls are directed for answering. Primary PSAPs respond first; Secondary PSAPs receive calls on a transfer basis only, and generally serve as a centralized answering location for a particular type of emergency call. PSAPs are staffed by employees of Emergency Response Agencies (ERAs) such as police, fire or emergency medical agencies or by employees of a common bureau serving a group of such entities.

1.75 Right-of-way (ROW)

The right to use the land or other property of another party to place poles, conduits, cables, other structures and equipment, or to provide passage to access such structures and equipment. A ROW may run under, on, or above public or private property (including air space above public or private property) and may include the right to use discrete space in buildings, building complexes, or other locations.

1.76 Routing Point

Denotes a location that a LEC has designated on its network as the homing (routing) point for traffic that terminates to Exchange Services provided by the LEC that bear a certain NPA-NXX designation. The Routing Point is used to calculate airline mileage for the distance-sensitive transport element charges of Switched Access Services. Pursuant to Telcordia Technologies Practice BR795-100-100, the Routing Point may be an end office location, or a "LEC Consortium Point of Interconnection." The Routing Point must be in the same LATA as the associated NPA-NXX.

1.77 Service Switching Point (SSP)

A Signaling Point that can launch queries to databases and receive/interpret responses used to provide specific customer services.

1.78 Shared Transport

The physical interoffice facility not dedicated to any one customer that is used to transport a call between switching offices. A central office switch translates the end user dialed digits and routes the call over a Common Transport Trunk Group that rides interoffice transmission facilities. These trunk groups and the associated interoffice transmission facilities are accessible by any end user (CenturyTel end user or LocalTel end user when LocalTel has purchased unbundled local switching), and are referred to as "shared transport facilities".

- 1.79 Signaling Point (SP)
A node in the CCS network that originates and/or receives signaling messages, or transfers signaling messages from one signaling link to another, or both.
- 1.80 Signaling System 7 (SS7)
The signaling protocol, Version 7, of the CCS network, based upon American National Standards Institute (ANSI) standards.
- 1.81 Subsidiary
A corporation or other legal entity that is majority owned by a Party.
- 1.82 Subsequent Service Order
Applied to LSRs requesting a service change to an existing unbundled account (no CLEC transfer). For disconnect-only LSRs, no NRC will be applied.
- 1.83 Synchronous Optical Network (SONET)
Synchronous electrical (STS) or optical channel (OC) connections between LECs.
- 1.84 Switched Access Service
The offering of facilities for the purpose of the origination or termination of traffic to or from Exchange Service customers in a given area pursuant to a switched access tariff. Switched Access Services include: Feature Group A, Feature Group B, Feature Group C, Feature Group D, 800 access and 900 access services.
- 1.85 Telcordia Technologies
A wholly owned subsidiary of Science Applications LocalTel Corporation (SAIC). The organization conducts research and development projects for its owners, including development of new telecommunications services. Telcordia Technologies also provides certain centralized technical and management services for the regional holding companies and also provides generic requirements for the telecommunications industry for products, services and technologies.
- 1.86 Telecommunications Services
The offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.
- 1.87 Third Party Contamination
Environmental pollution that is not generated by the LEC or LocalTel but results from off-site activities impacting a facility.
- 1.88 Transfer of Service
A charge applied to LSRs that involve account changes (e.g., CLEC to CLEC transfers, CPE billing changes on Unbundled Ports).
- 1.89 Trunk Side
Refers to a central office switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity, for example, to another central office switch. Trunk side connections offer those transmission and signaling features appropriate for the connection of switching entities and cannot be used for the direct connection of ordinary telephone station sets.

1.90 Unbundled Network Element (UNE)

Generally a facility or equipment used in the provision of a Telecommunications Service. Specific references to UNEs contained throughout this Agreement shall be to the network elements that are to be unbundled pursuant to Article VII of this Agreement.

1.91 Undefined Terms

Terms that may appear in this Agreement which are not defined. Parties acknowledge and agree that any such terms shall be construed in accordance with customary usage in the telecommunications industry as of the effective date of this Agreement.

1.92 Vertical Features (including CLASS Features)

Vertical services and switch functionalities provided by CenturyTel, including: Automatic Call Back; Automatic Recall; Call Forwarding Busy Line/Don't Answer; Call Forwarding Don't Answer; Call Forwarding Variable; Call Forwarding - Busy Line; Call Trace; Call Waiting; Call Number Delivery Blocking Per Call; Calling Number Blocking Per Line; Cancel Call Waiting; Distinctive Ringing/Call Waiting; Incoming Call Line Identification Delivery; Selective Call Forward; Selective Call Rejection; Speed Calling; and Three Way Calling/Call Transfer.

1.93 Wire Center

A building or space within a building that serves as an aggregation point on a LEC's network, where transmission facilities and circuits are connected or switched. Wire Center can also denote a building in which one or more Central Offices, used for the provision of exchange services and access services, are located.