

CONFIDENTIAL SETTLEMENT AGREEMENT

This Confidential Settlement Agreement (the "Agreement") is made and effective as of the 14th day of August 2006 (the "Effective Date"), between Qwest Corporation ("Qwest") and Electric Lightwave, LLC and its affiliates ("ELI") (Qwest and ELI may be hereafter individually referred to as a "Party" and collectively referred to as the "Parties").

RECITALS

WHEREAS, Qwest and ELI are parties both to a "Local Interconnection Agreement" in Washington, which was effective August 14, 2002, as amended (the "Interconnection Agreement"), and

WHEREAS, ELI exchanged traffic according to the terms and conditions of the Interconnection Agreements; and

WHEREAS, Qwest has claimed that certain traffic that ELI exchanged with Qwest was not traffic that was appropriate for exchange under the Interconnection Agreements because it was bound for end users not located in the same local calling area as the Qwest end user originating the call, which traffic Qwest has referred to as, "VNXX Traffic (the "Disputed Traffic"); and

WHEREAS, Qwest initiated a dispute with ELI on January 27, 2005, in a letter in which Qwest claimed that it was not required to exchange VNXX Traffic with ELI and therefore would not pay reciprocal compensation for the Disputed Traffic; and

WHEREAS, ELI has disputed Qwest's claims and stated that the Disputed Traffic was entitled to be exchanged under the Interconnection Agreements and that Qwest was required to pay ELI reciprocal compensation under the terms of the Interconnection Agreement; and

WHEREAS, Qwest also initiated similar disputes with other parties, which then were litigated before the Washington Utilities and Transportation Commission ("WUTC"), which issued orders stating that Qwest was required to pay reciprocal compensation for VNXX Traffic bound for ISPs in Docket Nos. UT-053036 and UT-053039 (the "Enforcement Orders") and ELI initiated its own petition for enforcement of its interconnection agreement before the WUTC with similar claims in Docket No. UT-063040; and

WHEREAS, As a result of the recent WUTC decisions, ELI and Qwest have agreed to settle the outstanding issues between ELI and Qwest regarding the Disputed Traffic, including payment of certain amounts by Qwest to ELI for reciprocal compensation regarding the Disputed Traffic to Qwest, and dismiss ELI's pending complaint before the WUTC.

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

AGREEMENTS AND COVENANTS

1. Within five (5) business days of the full execution of this Agreement, the Parties will file a joint motion to dismiss ELI's petition and approve this Agreement. Within twenty (20) business days of WUTC approval of this Agreement, Qwest agrees to pay ELI the sum of [REDACTED] by check, in full

and complete settlement of ELI's claims for reciprocal compensation due to ELI by Qwest under the Interconnection Agreement for the Disputed Traffic terminated to ELI during the usage periods between December, 2004 and May, 2006 and that the parties will continue to interpret the Interconnection Agreement consistent with the Enforcement Orders. ELI and Qwest further agree that such payment is without waiver of Qwest's right to a prompt refund, should Qwest obtain a reversal by the WUTC or on appeal of the WUTC orders in Docket Nos. UT-053036 and UT-053039. Should Qwest obtain a reversal of the WUTC orders in Docket Nos. UT-053036 and UT-053039, neither ELI nor Qwest will continue to be bound by this Agreement. Qwest and ELI further agree that nothing in this Agreement amends or alters any provision of the Interconnection Agreement.

2. In consideration of the payments, covenants, agreements and commitments contained herein and the Parties' performance of this Agreement, with the exception of a reversal of the WUTC orders in Docket Nos. UT-053036 and UT-053039 as outlined in Section 1, each Party releases, acquits, holds harmless and forever discharges the other Party, its officers, directors, employees, agents, attorneys, successors, assigns, parents, subsidiaries, affiliates, shareholders, partners, insurance companies and bonding companies and each of their directors, officers, agents, attorneys, employees and representatives (collectively the "Released Parties") from any and all claims, demands, damages, disputes, actions, causes of action, suits, debts, duties, losses, and obligations of any kind or nature whatsoever, known or unknown, related to or arising out of the Disputed Traffic which it has, had or may have that accrued from the beginning of time through the date of the execution of this Agreement against each respective Released Parties, or any of them. This Agreement shall constitute a full satisfaction, discharge and release of all claims related to the Disputed Traffic.

3. This Agreement shall be confidential, and each Party shall maintain the confidentiality of this Agreement. If either Party is compelled to disclose the existence or terms of this Agreement in judicial or administrative proceedings, such Party will notify the other party in writing, at least 30 days in advance of such disclosure, to provide the other Party an opportunity to seek protective arrangements. Each Party will cooperate with the other Party in that regard. Notwithstanding the foregoing, the parties agree that this agreement will be filed with the WUTC concurrently with the motion to dismiss. The agreement will be designated as confidential to the extent permitted by WUTC rules.

4. Qwest and ELI each represents and warrants, that:
- A. It has full authority and the present ability to perform all of its obligations under this Agreement;
 - B. It has obtained all governmental consents, approvals and authorizations required or necessary in order for it to perform all of its obligations under this Agreement;
 - C. It has all requisite corporate and other legal power and authority to enter into and perform its obligations under this Agreement;
 - D. It will comply with all applicable laws, rules, regulations and orders of all governmental agencies, bodies and other organizations in performing its obligations under this Agreement;
 - E. No consents, approvals, authorizations or notices from any third parties are required in connection with or for: (i) the performance of its obligations under this Agreement; (ii) the validity and enforceability of this Agreement; or (iii) its execution, delivery and performance of its obligations under this Agreement; and

F. It has not assigned, sold or transferred its right, power or authority to execute and grant the releases and enter into the covenants and agreements contained herein.

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

6. This Agreement constitutes the full, entire and complete understanding and agreement between Qwest and ELI and supersedes any prior understandings, agreements or representations, if any, whether written, oral or otherwise, that relate in any manner whatsoever to the subjects of this Agreement.

7. Qwest reserves the right to modify its tariffs; provided, however and subject to applicable law, that Qwest shall not modify its tariffs for the purpose of invalidating any portion of this Agreement. In all other respects, no term or condition of this Agreement, including without limitation the terms and conditions of this paragraph, may be amended, modified or supplemented, and no waivers or consents to departures from any of the terms and conditions of this Agreement shall be effective or of any force or effect other than as shall be set forth in and pursuant to a written instrument signed by both Qwest and ELI. In addition, any conflicts between the terms of this Agreement and the Interconnection Agreement shall be controlled by the terms of the Interconnection Agreement. Nothing in this Agreement is intended to modify or amend any terms of the Interconnection Agreement.

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

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

10. Any dispute arising out of, or relating to, this Agreement shall be resolved in accordance with the dispute resolution provisions of the parties' interconnection agreement.

11. Any notice to Qwest or ELI required or permitted under this Agreement shall be in writing and shall be personally served, delivered by Certified US Mail, or by a courier service. Upon prior agreement of Qwest's and ELI designated recipients listed below, such notice may also be provided by facsimile. Any notice shall be delivered using one of the aforementioned means and shall be directed as indicated below:

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

If to ELI: Electric Lightwave LLC
Attn: Legal Department
4400 NE 77th Ave
Vancouver, WA 98662


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

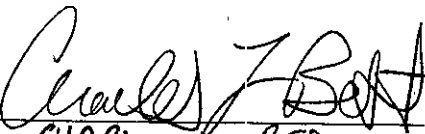
13. This Agreement may be executed by facsimile and in multiple counterparts, each of which shall be deemed an original, but all of which shall be deemed one and the same document.

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

Qwest Corporation

Electric Lightwave, LLC

By: 
Name: Dan E. Hult
Title: Director Carrier Relations

By: 
Name: CHARLES E. BEST
Title: ASSOCIATE GENERAL COUNSEL