

## OPERATOR SERVICES AGREEMENT

This Operator Services Agreement ("Agreement") is made and entered into by and between U S WEST Communications, Inc. ("USWC") and Advanced TelCom Group, Inc., ("ATGI"). This Agreement may refer to ATGI or to USWC as a Party ("Party") to this Agreement. The Operator Service(s) provided in this Agreement (the "Services") shall be delivered in the state of Washington.

**WHEREAS**, ATGI desires to purchase and USWC desires to provide the Services as described and set forth in this Agreement.

**NOW THEREFORE**, in consideration of the promises, mutual covenant, and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### 1. SCOPE OF AGREEMENT

1.1 This Agreement sets forth the terms and conditions for the provision of the Services by USWC to ATGI. The Services shall be provided, in the sole discretion of USWC, by live operators, computers (machine), or otherwise, and includes the following:

1.1.1 Local Assistance - Provide assistance to ATGI's end user requesting help or information on placing or completing local calls, connecting to home NPA directory assistance, and provide such other information and guidance, including referral to business office and repair numbers, as may be consistent with USWC's customary practice for providing customer assistance.

1.1.2 IntraLATA Toll Assistance - Provide assistance to ATGI's end user requesting help or information on placing or completing intraLATA toll calls. Nothing in this Agreement is intended to obligate USWC to provide any toll services to ATGI or ATGI's end users. USWC will direct ATGI's end user to contact their carrier to complete intraLATA toll calls. Subject to availability and capacity, access may be provided via operator services trunks purchased from USWC or provided by ATGI via collocation arrangements to route calls to ATGI's platform.

1.1.3 Emergency Assistance - Provide assistance for handling the emergency local and intraLATA toll calls to emergency agencies of ATGI's end user, including, but not limited to, police, sheriff, highway patrol and fire. ATGI will be responsible for providing USWC with the appropriate emergency agencies numbers and updates.

1.1.4 Busy Line Verify ("BLV") - Performed when ATGI's end user requests assistance from the operator to determine if the called line is in use. The operator will not complete the call for the end user initiating the BLV inquiry. Only one BLV attempt will be made per end user call, and a charge shall apply.

1.1.5 Busy Line Interrupt ("BLI") - Performed when ATGI's end user requests assistance from the operator to interrupt a telephone call in progress after BLV

has occurred. The operator will interrupt the busy line and inform the called party that there is a call waiting. The operator will only interrupt the busy line and will not connect ATGI's end user and the called party. The operator will make only one BLI attempt per end user call and the applicable charge applies whether or not the called party releases the line.

1.1.6 Quote Service - Provide time and charges to hotel/motel and other end users of ATGI for guest/account identification.

1.1.7 Coin Refund Requests - Provide information regarding ATGI's end users requesting coin refunds

1.2. If this Agreement arises out of an interconnection agreement or agreement for the resell of services between the Parties ("Interconnection Agreement"), then this Agreement shall be interpreted consistent with that Interconnection Agreement and the relationship of the Parties described therein. Further, the expiration or termination of the Interconnection Agreement, unless otherwise agreed in writing by the Parties, shall also end this Agreement.

## **2. TERMS AND CONDITIONS**

- 2.1 Interconnection to USWC Services from an end office to USWC is technically feasible at two distinct points on the trunk side of the switch. The first connection point is an operator services trunk connected directly to the USWC Operator Services host switch. The second connection point is an operator services trunk connected directly to a remote USWC Operator Services switch.
- 2.2 Trunk provisioning and facility ownership will follow the guidelines recommended by the Trunking and Routing, IOF and Switch sub-teams. All trunk interconnections will be digital.
- 2.3 Operator Services interconnection will require an operator services type trunk between the end office and the interconnection point on the USWC switch.
- 2.4 The technical requirements of operator services type trunks and the circuits to connect the positions to the host are covered in the Operator Services Systems Generic Requirement (OSSGR), Bellcore Document No. FR-NWT-000271, Section 6 (Signaling) and Section 10 (System Interfaces) in general requirements form.
- 2.5 Each Party's operator bureau shall accept BLV and BLI inquiries from the operator bureau of the other Party in order to allow transparent provision of BLV/BLI traffic between the Parties' networks.
- 2.6 Each Party shall route BLV/BLI traffic inquiries over separate direct trunks (not the local/intraLATA trunks) established between the Parties' respective operator bureaus.
- 2.7 USWC will perform Services provided under this Agreement in accordance with operating methods, practices, and standards in effect for all its end users.

- 2.8 It is understood that USWC shall have no obligation to supply a Service where facilities or technical abilities are limited. USWC, in its reasonable discretion, may modify and change the nature, extent and detail of the Services from time to time during the term hereof.
- 2.9 ATGI will complete the "USWC Operator Services/Directory Assistance Questionnaire for Local Service Providers" to request Services, and ATGI represents that the information is true and correct to the best of its knowledge and belief.
- 2.10 USWC shall maintain adequate equipment and personnel to reasonably perform the Services. ATGI shall provide and maintain the facilities necessary to connect its end users to the place(s) where USWC provides the Services and to provide all information and data needed or reasonably requested by USWC in order to perform the Services.

### 3. TERM AND TERMINATION

This Agreement shall be effective upon execution and delivery by the Parties (or any required approval), and it shall terminate at the same time as the said Interconnection Agreement referred to in Section 1.2 above. Either Party may terminate this Agreement upon thirty (30) days prior written notice to the other. If USWC continues to provide and ATGI continues to purchase Services upon the expiration of this Agreement, such activity will be governed by the terms of this Agreement at USWC's then-current rates, including either Party's ability to terminate this Agreement, in whole or in part, on thirty (30) days notice.

### 4. CHARGES

- 4.1. The charges for the Services provided by USWC under this Agreement are listed in Exhibit A, attached hereto and incorporated herein by reference.
- 4.2. The charges listed in Exhibit A shall be subject to adjustment upon thirty (30) days prior written notice.

### 5. BILLING

- 5.1. USWC will track usage and bill ATGI, and ATGI will pay USWC for the calls placed by ATGI's end users and facilities.
- 5.2. Usage will be calculated according to Option A (Price Per Message) and Option B (Price Per Work Second and Computer Handled Calls), as defined in Exhibit A, and USWC will charge ATGI whichever is lower.
- 5.3. If, due to equipment malfunction or other error, USWC does not have available the necessary information to compile an accurate billing statement, USWC may render a reasonably estimated statement, but shall notify ATGI of the methods of such estimate and cooperate in good faith with ATGI to establish a fair, equitable estimate. USWC shall render a statement reflecting actual billable quantities when and if the information necessary for the billing statement becomes available.

- 5.4 ATGI alone and independently establishes all prices it charges its end users for Services provided by means of this Agreement, and USWC is not liable or responsible for the collection of any such amounts.

## **6. PAYMENT**

- 6.1 Amounts payable under this Agreement are due and payable within thirty (30) days after the date of statement.
- 6.2 Unless prohibited by law, any amount due and not paid by the due date stated above shall be subject to a late charge equal to either i) 0.03 percent per day compounded daily for the number of calendar days from the payment due date to and including, the date of payment, that would result in an annual percentage rate of 12% or ii) the highest lawful rate, whichever is less.
- 6.3 Should ATGI dispute any portion of the statement under this Agreement, ATGI will notify USWC in writing within thirty (30) days of the receipt of such billing, identifying the amount and details of such dispute. ATGI shall pay all amounts due. Both ATGI and USWC agree to expedite the investigation of any disputed amounts in an effort to resolve and settle the dispute prior to initiating any other rights or remedies.

## **7. CONFIDENTIAL INFORMATION**

- 7.1 "Confidential Information" means all documentation and technical and business information, whether oral, written or visual, which is legally entitled to be protected from disclosure, which a Party to this Agreement may furnish to the other Party or has furnished in contemplation of this Agreement to such other Party. Each Party agrees (1) to treat all such Confidential Information strictly as confidential and (2) to use such Confidential Information only for purposes of performance under this Agreement or for related purposes.
- 7.2 The Parties shall not disclose Confidential Information to any person outside their respective organizations unless disclosure is made in response to, or because of an obligation to, or in connection with any proceeding before any federal, state, or local governmental agency or court with appropriate jurisdiction, or to any person properly seeking discovery before any such agency or court. The Parties' obligations under this Section shall continue for one (1) year following termination or expiration of this Agreement.

## **8. FORCE MAJEURE**

With the exception of payment of charges due under this Agreement, a Party shall be excused from performance if its performance is prevented by acts or events beyond the Party's reasonable control, including but not limited to, severe weather and storms; earthquakes or other natural occurrences; strikes or other labor unrest; power failures; computer failures; nuclear or other civil or military emergencies; or acts of legislative, judicial, executive, or administrative authorities.

## **9. LIMITATION OF LIABILITY**

USWC SHALL BE LIABLE TO ATGI, AND ATGI ONLY, FOR THE ACTS OR OMISSIONS OF USWC, EXPRESSLY INCLUDING THE NEGLIGENT ACTS OR OMISSIONS OF USWC OR THOSE ATTRIBUTABLE TO USWC, IN CONNECTION WITH USWC'S SUPPLYING OR ATGI'S USING THE SERVICES, BUT STRICTLY IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THIS AGREEMENT. IT IS EXPRESSLY AGREED THAT USWC'S LIABILITY TO ATGI, AND ATGI'S SOLE AND ONLY REMEDY FOR ANY DAMAGES ARISING IN CONNECTION WITH THE SERVICES AND THIS AGREEMENT SHALL BE A REFUND TO ATGI OF THE AMOUNT OF THE CHARGES BILLED AND PAID BY ATGI TO USWC FOR FAILED OR DEFECTIVE SERVICES. UNDER NO CIRCUMSTANCES OR THEORY, WHETHER BREACH OF AGREEMENT, PRODUCT LIABILITY, TORT, OR OTHERWISE, SHALL USWC BE LIABLE FOR LOSS OF REVENUE, LOSS OF PROFIT, CONSEQUENTIAL DAMAGES, INDIRECT DAMAGES OR INCIDENTAL DAMAGES, AND ANY CLAIM FOR DIRECT DAMAGES SHALL BE LIMITED AS SET FORTH ABOVE. UNDER NO CIRCUMSTANCES SHALL USWC EVER BE LIABLE TO ATGI'S END USERS FOR ANY DAMAGES WHATSOEVER.

#### **10. INDEMNIFICATION**

Each Party to this Agreement hereby indemnifies and holds harmless the other Party with respect to any third-party claims, lawsuits, damages or court actions arising from performance under this Agreement to the extent that the indemnifying Party is liable or responsible for said third-party claims, losses, damages, or court actions. Further, ATGI hereby indemnifies USWC from any claims made against it by a ATGI's end user on account of ATGI's end user's use or attempted use of the Service, regardless of the cause thereof excepting only, the intentional, malicious misconduct of USWC. Whenever any claim shall arise for indemnification hereunder, the Party entitled to indemnification shall promptly notify the other Party of the claim and, when known, the facts constituting the basis for such claim. In the event that one Party to this Agreement disputes the other Party's right to indemnification hereunder, the Party disputing indemnification shall promptly notify the other Party of the factual basis for disputing indemnification. Indemnification shall include, but is not limited to, costs and attorney fees.

#### **11. LAWFULNESS OF AGREEMENT**

- 11.1. This Agreement and the Parties' actions under this Agreement shall comply with all applicable federal, state, and local laws, rules, regulations, court orders, and governmental agency orders. This Agreement shall only be effective when mandatory regulatory filing requirements are met, if applicable. If a court or a governmental agency with proper jurisdiction determines that this Agreement, or a provision of this Agreement, is unlawful, this Agreement, or that provision of this Agreement shall terminate on written notice to ATGI to that effect.
- 11.2. If a provision of this Agreement is so terminated, the Parties will negotiate in good faith for replacement language. If replacement language cannot be agreed upon, either Party may terminate this Agreement.

#### **12. GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the state in which Services are delivered to the end user.

**13. DISPUTE RESOLUTION**

Any claim, controversy or dispute between the Parties shall be resolved by arbitration in accordance with the then current rules of the American Arbitration Association. The arbitration shall be conducted by a single arbitrator engaged in the practice of law and knowledgeable about telecommunications. The arbitrator's decision and award shall be final and binding and may be entered in any court with jurisdiction.

**14. DEFAULT**

If a Party defaults in the performance of any substantial obligation herein, and such default continues, uncured and uncorrected, for thirty (30) days after written notice to cure or correct such default, then the non-defaulting Party may immediately terminate this Agreement. Subject to Section 9 (Limitation of Liability) above, the non-defaulting Party may also pursue other permitted remedies by arbitration as set forth above.

**15. SUCCESSORS, ASSIGNMENT**

This Agreement binds the Parties, their successors, and their assigns. Either Party may assign its rights and delegate its duties under this Agreement with the express, written permission of the other Party, which permission shall not unreasonably be withheld; provided, however, that USWC may assign its rights and delegate its duties under this Agreement to its parent, its subsidiaries, or its affiliates without prior, written permission.

**16. AMENDMENTS TO AGREEMENT**

The Parties may by mutual agreement and execution of a written amendment to this Agreement amend, modify, or add to the provisions of this Agreement.

**17. NOTICES**

All notices required or appropriate in connection with this Agreement shall be in writing and shall be deemed effective and given upon deposit in the United States Mail, postage pre-paid, addressed as follows:

**ATGI**  
Clifford G. Rudolph  
President & CEO  
885 N. San Antonio Rd., Suite R  
Los Altos, CA 94022

**USWC**  
Director Interconnection Compliance  
1801 California Street, Suite 2410  
Denver, Colorado 80202

**Copy to:**  
U S WEST Law Department  
General Counsel-Interconnection  
1801 California, Suite 5100  
Denver, Colorado 80202

**18. ENTIRE AGREEMENT**

This Agreement, including all exhibits and properly executed amendments, is the entire Agreement between the Parties.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed for and on its behalf on the day and year indicated below:

ATGI

*Kathryn L. Thomas*  
Signature  
Kathryn L. Thomas  
Name Printed/Typed  
VP - Regulatory & Public Policy  
Title  
5/13/99  
Date

U S WEST Communications, Inc.

*Don McKay*  
Signature  
Don McKay  
Name Printed/Typed  
SR. account Manager  
Title  
5/18/99  
Date

**EXHIBIT A  
CHARGES**

**Washington**

**OPTION A: Price Per Message**

Operator Handled Calling Card	\$ 0.46	For each completed calling card call that was dialed 0+ where the operator entered the calling card number.
Machine Handled Call	\$ 0.18	For each completed call that was dialed 0+ where the end user entered the required information, such as calling card number.
Station Call	\$ 0.84	For each completed station call, including station sent paid, collect, 3rd number special billing or 0- calling card call.
Person Call	\$ 2.05	For each completed person-to-person call regardless of the billing used by the end user.
Connect to Directory Assistance	\$ 0.55	For each operator placed call to directory assistance.
Busy Line Verify	\$ 0.72	For each call where the operator determines that conversation exists on a line.
Busy Line Interrupt	\$ 0.87	For each call where the operator interrupts conversation on a busy line and requests release of the line.
Operator Assistance	\$ 0.36	For each local call completed or not, that does not potentially generate an operator surcharge. These calls include, but are not limited to: calls given the DDD rate because of transmission problems; calls where the operator has determined there should be no charge, such as Busy Line Verify attempts where conversation was not found on the line; calls where the end user requests information from the operator, and no attempt is made to complete a call; calls for quote service.

"Completed call" as used in this Agreement shall be conclusively determined to mean that "end user makes contact with the location, telephone number, person, or extension designated by the end user".

A completed call shall be computed, calculated and recorded in accordance with the methods and practices of USWC and the operating capacity and ability of USWC's measuring equipment.



**EXHIBIT A  
(page 2)**

**CHARGES**

**Washington**

<b>OPTION B: Price Per Work Second and Computer Handled Calls</b>		
Operator Handled	\$ 0.0181	Per operator work second for all operator assisted Services and functions of Services.
Machine Handled	\$ 0.13	Per call for all Services which are handled solely by computers and USWC equipment.

ATGI is charged per work second for all calls originating from its end user(s) and facilities that go to USWC's operator facilities for handling. Work second charging begins when the USWC operator position connects with ATGI's end user and terminates when the connection between the USWC operator position and ATGI's end user is terminated.

Calls without live operator intervention are computer (machine) handled and include, but are not limited to, credit card calls where the end user enters the calling card number, calls originating from coin telephones where the computer requests deposit of coins, additional end user key actions, recording of end user voice, etc.