INTERCONNECTION AGREEMENT
BETWEEN INCUMBENT LOCAL EXCHANGE CARRIERS

This Reciprocal Compensation Agreement ("Agreement") is effective as of the 1st day of July, 1997 (the "Effective Date"), by and between Ameritech Information Industry Services, a division of Ameritech Services, Inc., a Delaware Corporation with offices at 350 North Orleans, Floor 3, Chicago, Illinois, on behalf of Ameritech Michigan ("Ameritech") and GTE North Incorporated, a Wisconsin corporation, and Contel of the South, Inc., a Georgia corporation, (collectively "GTE"), with offices at 600 Hidden Ridge Drive, Irving, Texas, 75038. Ameritech and GTE are referred to herein individually as "Party" and collectively as the "Parties." This Agreement covers services in the state of Michigan.

WHEREAS, the Parties currently interconnect their networks at mutually agreed upon points so as to complete Local Traffic (as defined below) between certain Exchanges of Ameritech and certain Exchanges of GTE;

WHEREAS, the Parties wish to put into place an arrangement for the mutual, reciprocal compensation relating to the termination of such Local Traffic, which arrangement is intended to supersede previous arrangements between the Parties relating to the termination of such Local Traffic; and

WHEREAS, the Parties wish to put into place such other arrangements as identified herein to allow for the exchange of traffic between the Parties.

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, Ameritech and GTE hereby agree as follows:

1. DEFINITIONS

1.01 "Act" means the Communications Act of 1934 (47 U.S.C. Section 151 et seq.), as amended by the Telecommunications Act of 1996.

1.02 "Affiliate" is As Defined in the Act.

1.03 "As Defined in the Act" means as specifically defined by the Act.

1.04 "Commercial Mobile Radio Service" or "CMRS" is As Defined in the Act.

1.05 "Commission" means the applicable state regulatory commission.

1.06 "Exchange Access Service", as used in this Agreement, shall mean the offering of access to telephone exchange services or facilities for the purpose of the origination or termination of telephone toll services, as defined by the various state and federal regulatory bodies.

1.07 "Incumbent Local Exchange Carrier" or "ILEC" is As Defined in the Act.

1.08 "Information Service" is As Defined in the Act.

1.09 "IntraLATA Toll Traffic" means all intraLATA calls other than Local Traffic calls.

1.10 "Local Exchange Carrier " or "LEC" is As Defined in the Act.

1.11 "Local Traffic" means traffic that is originated by an end user of one Party and terminates to the end user of the other Party within the scope of GTE's and Ameritech's then current local serving area, including mandatory local calling scope arrangements, as described in maps, tariffs, or rule schedules filed with and ordered by the Commission. A mandatory local calling scope arrangement is an arrangement that provides end users a local calling scope, Extended Area Service ("EAS"), beyond their basic exchange serving area. Local Traffic does not include optional local calling scopes (i.e., optional rate packages that permit the end user to choose a local calling scope beyond their basic exchange serving area for an additional fee) referred to hereafter as "optional EAS".

1.12 "NPA" means the three (3) digit number (commonly referred to as the area code) followed by the three (3) digit NXX code and the four (4) digit line number within the ten (10) digit format for telephone numbers.

1.13 "NXX" means the three (3) digit code which appears as the first three (3) digits of a seven (7) digit telephone number.

1.14 "Telecommunications Carrier", is As Defined in the Act.

1.15 "Termination" means the switching of Local Traffic at the terminating carrier's end office switch, or equivalent facility, and delivery of such traffic to the called party's premises.

1.16 "Transit Service", as used in this Agreement, shall mean the provision of Service as described in Section 4.0 of this Agreement.

1.17 "Transport" means the transmission and any necessary tandem switching of Local Traffic from the interconnection point, or meet point, between the Parties to the terminating carrier's end office switch that directly serves the called party.

2.0 INTERPRETATION AND CONSTRUCTION

2.1 All references to Sections, Exhibits and Schedules shall be deemed to be references to Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. The headings of the Sections are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement. Unless the context shall otherwise require, any reference to any agreement, other instrument (including Ameritech, or GTE or other third party offerings, guides or practices), statute, regulation, rule or tariff is to such agreement, instrument, statute, regulation, rule or tariff as amended and supplemented from time to time (and, in the case of a statute, regulation, rule or tariff, to any successor provision). This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

3.0 EXCHANGE AREA SERVICE ARRANGEMENTS

3.1 Subject to the limitations set forth below, Ameritech shall compensate GTE for the Transport and Termination of Local Traffic originated on Ameritech's network by an Ameritech end user, and GTE shall compensate Ameritech for the Transport and Termination of Local Traffic originated on GTE's network by GTE's end user. Each Party will bill the other Party for reciprocal compensation. The rates for this reciprocal compensation are set forth in the Pricing Schedule, Exhibit 1. The applicable rates set forth in Exhibit 1 are "interim rates" and shall be superseded by the rates, as set forth in Section 3.3. Reciprocal compensation shall not be paid on traffic terminated to Information Service providers, including Internet providers.

3.2 The Parties agree to compensate each other for local call transport as follows:

3.2.1 For only those routes that existed on the Effective Date of this Agreement and for which the meet point of the Parties' networks are agreed to by the Parties, the Parties agree that each Party shall bear the costs of their own transport from the meet point to the initial point of switching, for the term of this Agreement.

3.2.2 For any transport provided after the initial point of switching, each Party will bill the other Party pursuant to the applicable rates set forth in the Pricing Schedule, Exhibit 1.

3.3 The rates for transport and termination of Local Traffic as set forth initially in the Pricing Schedule, Exhibit 1, will remain in effect only until such time as both Parties have final, non-appealable, Commission-approved local transport and

termination rates, and such final rates shall replace the initial rates. The final rates will be subject to change resulting from future Commission or arbitration proceedings between the Parties, a proceeding to establish a competitively neutral universal service system, any appeal or applicable litigation, including but not limited to any generic proceeding to determine either Party's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar costs (including end user surcharges)). At the time the approved rates are effective, both Parties shall pay the other Party true-up compensation, such that each Party shall receive the level of compensation it would have received had the Commission-approved rates been in effect since the inception of this Agreement. The true-up, including the payment of the amount due thereunder, shall be completed within forty-five (45) days after the date both Parties' Commission-approved rates become effective.

3.3.1 Each Party shall plan to file its local transport and termination rates with the Commission by January 30, 1998, unless the Commission orders otherwise.

3.4 The Reciprocal Compensation arrangements set forth in this Agreement are not applicable to Switched Exchange Access service. All Switched Exchange Access Service and all intraLATA Toll traffic shall continue to be governed by the terms and conditions of applicable federal and state tariffs. Ameritech and GTE shall charge the other Party its effective applicable federal and state tariffed switched access rates for the transport and termination of all intraLATA Toll traffic.

4.0 **TRANSIT TRAFFIC**

4.1 The Parties will provide Transit Service to each other on the terms and conditions set forth in this Section 4.0.

4.2 Definition. Transit Service means the delivery of Local Traffic by Ameritech or GTE originated by the end user of one of the Party's and terminated to a third party LEC, ILEC, or CMRS over the Local Interconnection Trunks.

4.3 Terms and Conditions

4.3.1 Transit service will be provided only at Ameritech's or GTE's tandem switches.

4.3.2 Each Party acknowledges that that it is the originating Party's responsibility to enter into arrangements with each third party LEC, ILEC, or CMRS for the exchange of Transit traffic to and from the other Party.

4.3.3 Each Party acknowledges that the Party providing Transit service has no responsibility to pay any third party LEC, ILEC, or CMRS charges for

termination or origination of any transit traffic. Each Party reserves the right to not pay such charges on behalf of the originating Party.

4.4 Payment Terms and Conditions. In addition to the payment terms and conditions contained in other sections of this Agreement, each Party shall compensate the other Party for Transit Service as follows:

4.4.1 The originating Party shall pay the transiting Party for transit traffic that the originating Party delivers over the Local Interconnection trunks to the other Party at the rate specified in the Pricing Schedule, Exhibit 1; and

4.4.2 In those cases in which the transiting Party is required by Commission decision or order to pay any third party LEC, ILEC, or CMRS charges on behalf of the originating Party, the originating Party shall pay to the transiting Party: (i) those additional charges or costs, including any switched access charges, which such terminating third party LEC, ILEC, or CMRS levied on the transiting Party for the delivery or termination of transit traffic; and (ii) the transiting Party's billing and collection costs associated with billing the originating Party for those third party charges.

4.4.3 Neither Party shall default bill the other Party for unidentified traffic terminating to it, unless otherwise provided for in this Agreement.

4.5 Billing Records and Exchange of Data. All networks transporting transit traffic will deliver each call to the other Party's network with SS7 CCIS and the appropriate Transactional Capabilities Application PART (TCAP) message in order to facilitate full interoperability and billing functions, unless the switch of the transiting Party is not technically capable of recording actual terminating minutes of use. To the extent that the industry adopts standard record formats and procedures for originating or terminating transit calls, both Parties will use reasonable efforts to comply with the industry standards to exchange records..

5.0 **PHYSICAL INTERCONNECTION**

5.1 The Parties will interconnect their facilities at the agreed upon meet points within the Exchanges listed and described in Exhibit 2. Exhibit 2 may be updated from time to time as EAS is expanded or decreased as ordered by the Commission.

5.2 The Parties shall jointly engineer and configure Local trunks over the physical interconnection facilities as follows:

5.2.1 Each Party shall configure either a one (1) way or two (2) way trunk group as a direct transmission path between the two Parties.

5.2.2 If the traffic volumes between any two (2) Central Office Switches at any time exceeds the CCS busy hour equivalent of one (1) DS1, the Parties shall, within sixty (60) days of such occurrence, provide augmentation to the existing trunk group or establish a new direct trunk group to the applicable End Office(s) consistent with the grades of service and quality parameters set forth in this Agreement.

5.2.3 Only those valid NXX codes served by an End Office may be accessed through a direct connection to that End Office.

5.2.4 Each Party shall ensure that each Tandem connection permits the completion of all traffic to all End Offices which sub-tend that Tandem Switch. To avoid switching at more than one tandem switch, each Party shall establish and maintain separate trunk groups and facilities connected to each Tandem of the other Party for termination of Local Traffic. Where a Tandem Switch also provides End Office functionality, interconnection by a Party at that Tandem Switch shall provide access to that Tandem's End Office functionality.

5.2.5 Each Party shall, upon request of the other Party, provision within thirty (30) days of such request, additional trunks, if necessary, for use in the pre-existing interconnection arrangement, provided that neither Party can require the other Party to build or put in unnecessary trunks.

5.3 The network switches of both Parties involved in the provision of Local Traffic shall be managed in accordance with the applicable industry/Bellcore standards. The acceptable service levels for Local Interconnection Service and the criteria for applying protective controls in conjunction with EAS service will be administered in the same manner as the network management for Exchange Access Services.

5.4 Based on the physical architecture and Reciprocal Compensation arrangements that are set forth in this Agreement, each Party shall be responsible for establishing and maintaining physical facilities and logical trunking at its own expense, on its side of the common physical meet point of each interconnection to provide for the transmission, routing and termination of Local Traffic consistent with the standards set forth in this Agreement.

6.0 MEASUREMENT OF TELEPHONE EXCHANGE SERVICE

6.1 Because the Parties have already been exchanging traffic over the EAS areas pursuant to Commission order, the Parties agree that reciprocal compensation will be paid between the Parties based on the traffic studies that are conducted under the terms and conditions contained in Exhibit 3; provided however that traffic studies will only be used in those EAS areas that are not capable of recording

actual terminating conversation minutes of use (MOU). Traffic studies will be used by both Parties, only until such time as SS7 signaling capability and/or recording of actual terminating conversation MOU is available to either Party. At the time that SS7 signaling capability and/or recording of actual terminating conversation MOU is available to a Party, that Party may bill reciprocal compensation to the other Party based on the recorded information; however, the other Party may continue to bill terminating Local Traffic based on the use of traffic studies or other agreed upon methods.

6.2 Parties will make best efforts to establish SS7 signaling capability and/or recording of actual terminating conversation MOU in the switches used for interconnection between the Parties. Upon written request, one Party will provide the other Party with the necessary information to enable that Party to establish the recording and billing of actual terminating conversation MOU. This information may include, but may not be limited to, Carrier Identification Code (CIC) and Access Customer Name Abbreviation (ACNA) information.

6.3 Local Traffic/IntraLATA Toll. For those trunks existing as of the Effective Date of this Agreement which combine Local and IntraLATA Toll traffic, both Parties agree to use Percent Local Usage (PLU) factors to determine the amount of Local Traffic carried on the trunks. The Party originating the Local and IntraLATA Toll traffic will provide its PLU to the terminating Party, so that the terminating Party call bill the originating Party.

6.4 New Local Trunks. For new EAS routes established between the Parties after the Effective Date, both Parties agree that intraLATA Toll traffic will not be combined on trunks that carry Local Traffic, unless those trunks have SS7 signaling capability and/or actual conversation MOU recording capabilities that is sufficient to identify Local Traffic from intraLATA Toll traffic. Upon thirty (30) days written notice that SS7 capability and measurement capabilities are available, the Party may use the trunks groups for combined Local and IntraLATA Toll traffic and bill the originating carrier the applicable rates for each type of call.

6.5 SS7 Signaling. Where available, the Parties will use Common Channel Interoffice Signaling (CCIS) to set up calls between the Parties' Telephone Exchange Service networks. Each Party shall provide Calling Party Number (CPN) within the SS7 signaling message, if available. If CCIS in unavailable, Multi-Frequency (MF) signaling shall be used by the Parties. Each Party shall charge the other Party rates for CCIS signaling at the rates set forth in their respective tariffs.

6.5.1 Each Party is responsible for requesting Interconnection to the other Party's CCIS network, where SS7 signaling on the trunk group(s) is desired. Each Party shall connect to a pair of access STPs that serve each LATA where traffic will be exchanged or shall arrange for signaling connectivity through a

third party provider which is connected to the other Party's signaling network. The Parties shall establish interconnection at the STP.

6.5.2 The Parties will cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate interoperability of CCIS-based features between the respective networks, including all CLASS features and functions, to the extent each Party offers such features and functions to its customers. All CCIS parameters will be provided including CPN, Originating Line Information (OLI), calling party category and charge number.

6.5.3 Where available, and upon mutual agreement, each Party shall cooperate to ensure that its trunk groups are configured using the B8ZS ESF protocol for 64 kbps clear channel transmission to allow for ISDN interoperability between the Parties' respective networks.

6.5.4 For billing purposes, each Party shall pass Calling Party Number (CPN) on each call that it originates over the Local/IntraLATA Trunks; provided that all calls exchanged without CPN information shall be billed as either Local Traffic or IntraLATA Toll Traffic based upon a percentage of local usage (PLU) factor calculated based on the amount of actual volume during the preceding three (3) months. The PLU will be reevaluated every three (3) months. If either Party fails to pass at least ninety percent (90%) of calls with CPN that it originates within a consecutive two (2) month billing period, then either Party may require that separate trunks groups for Local Traffic and IntraLATA Toll Traffic be established.

If both Parties participate in an IntraLATA Toll settlement arrangement, this Section 6.5.4 shall not apply, except that if either Party fails to pass CPN on at least 90% of the traffic on a combined Local/IntraLATA Toll trunk group in a consecutive 2 month period, the Parties agree to review the applicable PLU, and if necessary, may agree to change the PLU until the loss of CPN is corrected.

6.5.5 Measurement of Telecommunications traffic billed hereunder shall be (i) in conversation time as specified in FCC terminating FGD Switched access tariffs for Local Traffic and (ii) in accordance with applicable with applicable tariffs for all other types of Telecommunications traffic.

7.0 **TERM AND TERMINATION**

7.1 This Agreement shall commence on the Effective Date, and shall continue in full force and effect for a minimum term of two (2) years after the Effective Date. The effectiveness of this Agreement shall continue thereafter, on a year to year basis,

unless and until terminated by either Party by ninety (90) days prior written notice to the other Party. In the event, notice is given less than ninety (90) calendar days prior to the end of the current term, this Agreement shall remain in effect for ninety (90) days after such notice is received, provided that in no case shall be term be extended beyond ninety (90) calendar days after the end of the current term.

7.2 When a Party believes that the other Party is in violation of a material term or condition of this Agreement ("Defaulting Party"), the Party shall provide written notice to the Defaulting Party of the violation prior to commencing the Negotiation procedures contained in **Section 13.1** of the Dispute Resolution procedures. The procedures in **Section 13.1** shall then be used to resolve such violation.

7.3 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 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; and provided that the Dispute Resolution procedures set forth in **Section 13.0** have been used. In addition to the failure to comply with a material term or condition of this Agreement, Default includes, a Party's insolvency of the initiation of bankruptcy or receivership proceedings by or against the Party.

7.4 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 of such Party, if such Party sells or otherwise transfers the area or portion thereof. The 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 with respect to a specific operating area, this Agreement shall remain in full force and effect in the remaining operating areas.

7.5 Liability Upon Termination. Termination of this Agreement, or any part, 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.

8.0 **PAYMENT TERMS AND CONDITIONS**

8.1 The Parties will bill each other for services provided under this Agreement, including all applicable taxes and surcharges. To the extent it is applicable and available, billing information will be provided to the other Party in conformance with the MECAB and MECOD guidelines.

8.2 Both Ameritech and GTE shall pay the undisputed portion of any invoice within thirty (30) days from the date of the invoice. Past due amounts shall be assessed a late payment charge in the amount of 0.000493 percent per day (annual percentage rate of eighteen percent 18%) compounded daily, or the highest rate allowed by law, whichever is lower.

8.2 If in good faith either Party disputes any portion of the billing statement, the disputing Party shall inform the other party in writing of the disputed amount(s)and the reason for the dispute, within sixty (60) days from the date of the invoice. "Post payment disputed amounts" shall also be declared in writing to the other Party subsequent to the payment and receipt of funds applicable to the disputed portion of any statement. Parties will have sixty (60) days from the date the disputing Party identified the dispute in writing to resolve the dispute. Such disputed amounts or post payment disputed amounts shall be payable by the fifteenth (15th) day from the date of resolving the dispute. In the event a dispute cannot be resolved between the Parties as set forth above, it shall be resolved through the procedure described in **Section 13.0**, Dispute Resolution and Escalation.

8.3 Neither Ameritech nor GTE shall offset or "net" any amounts due hereunder against any other amount owed by Ameritech or GTE to each other.

8.4 No more than once per year, either Party may perform an audit of the books and records used to bill for the services provided hereunder, 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. Such audit shall be conducted by an independent auditor acceptable to both Parties.

8.4.1 If an independent auditor confirms any instances of misclassification of Local Traffic and/or misreporting of Local Traffic of twenty percent (20%) or more , then the Party misclassifying and/or misreporting shall within thirty (30) days of the completion of the audit compensate the other Party at the proper rate for all such misclassified and/or misreported traffic, together with interest unless either Party disputes the audit results, at which time the Parties agree to follow the Dispute Resolution Procedures in **Section 13.0.**

8.4.2 Any adjustments or corrections identified by the audit of data furnished by the audited Party shall be limited to the twelve (12) months preceding the date of the audit.

9.0 **SEVERABILITY**

9.1 Severability. If any provision of this Agreement shall be held to be illegal, invalid, or unenforceable, each Party agrees that such provision shall be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby. If necessary to effect the intent of the Parties, the Parties shall negotiate in good faith to amend this Agreement to replace the unenforceable language with enforceable language that reflects such intent as closely as possible. 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.

9.2 Non-Contravention of Laws. Nothing in this Agreement shall be construed as requiring or permitting either Party to contravene any mandatory requirement of federal or state law, or any regulations or orders adopted pursuant to such law.

10.0 **INDEMNIFICATION**

10.1 General Indemnification Rights. Each Party (the "Indemnifying Party") shall defend and indemnify the other Party, its officers, directors, employees, and permitted assignees (collectively the "Indemnified Party") and hold such Indemnified Party harmless against

10.1.1 Any Losses (including but not limited to claims, damages, injuries, liabilities, expenses, and reasonable attorneys fees, collectively "Losses") to a third person for invasion of privacy, personal injury to or death of any person(s), or for losses, damages, or destruction of property, whether or not owned by others, proximately cause by: the negligent acts or omissions, or willful misconduct ("Fault") by such Indemnifying Party or the Fault of its employees, agents and subcontractors, regardless of the form of action; provided however that (1) with respect to employees or agents of the Indemnifying Party, such Fault occurs while performing within the scope of their employment, (2) with respect to subcontractors of the Indemnifying Party, such Fault occurs in the course of performing the duties of the subcontractor under its subcontract with the Indemnifying Party, and (3) with respect to the Fault of employees or agents of such subcontractor, such Fault occurs while performing within the scope of their employment by the subcontractor with respect to such duties of the subcontractor under the subcontract;

10.1.2 Any Loss arising from such Indemnifying Party's use of services offered under this Agreement, involving pending or threatened claims, actions, proceedings or suits (**"Claims"**), claims for defamation, libel, slander, invasion of privacy, infringement of Intellectual Property rights, or any other injury to any third person or property arising out of content transmitted by the Indemnified Party or such Party's end users, or any other act or omission arising from the Indemnifying Party's own communications or the communications of such Indemnifying Party's Customers;

10.1.3 Any Losses from Claims, or any liability whatsoever, suffered, made, instituted, or asserted by either Party's end users against an Indemnified Party arising from the services provided under this Agreement. Under this subsection, each Party further agrees to defend and indemnify any third party provider or operator of facilities involved in the provision of services.

10.1.4 Any Loss arising from Claims for actual or alleged infringement of any Intellectual Property right of a third person to the extent that such Loss arises from an Indemnified Party's or an Indemnified Party's Customer's use of a service provided under this Agreement; provided, however, that an Indemnifying Party's obligation to defend and indemnify the Indemnified Party shall not apply in the case of (i) (A) any use by an Indemnified Party of a service (or element thereof) in combination with elements, services or systems supplied by the Indemnified Party or persons other than the Indemnifying Party or (B) where an Indemnified Party or its Customer modifies or directs the Indemnifying Party to modify such service and (ii) no infringement would have occurred without such combined use or modification. Neither Party shall have any obligation to acquire any license or right for the benefit of the other Party.

10.2 Indemnification Procedures. Whenever a Claim shall arise for indemnification under this **Section 10.0**, the relevant Indemnified Party, as appropriate, shall promptly notify the Indemnifying Party and request the Indemnifying Party to defend the same. Failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such Claim. The Indemnifying Party shall have the right to defend against such liability or assertion in which event the Indemnifying Party shall give written notice to the Indemnified Party of acceptance of the defense of such Claim and the identity of counsel selected by the Indemnifying Party. Until such time as Indemnifying Party provides such written notice of acceptance of the defense of such Claim, the Indemnified Party shall defend such Claim, at the expense of the Indemnifying Party, subject to any right of the Indemnifying Party, to seek reimbursement for the costs of such defense in the event that it is determined that Indemnifying Party had no obligation to indemnify the Indemnified Party for such Claim. The Indemnifying Party shall have exclusive right to control and conduct

the defense and settlement of any such Claims subject to consultation with the Indemnified Party. The Indemnifying Party shall not be liable for any settlement by the Indemnified Party unless such Indemnifying Party has approved such settlement in advance and agrees to be bound by the agreement incorporating such settlement. At any time, an Indemnified Party shall have the right to refuse a compromise or settlement and, at such refusing Party's cost, to take over such defense; provided that in such event the Indemnifying Party shall not be responsible for, nor shall it be obligated to indemnify the relevant Indemnified Party against, any cost or liability in excess of such refused compromise or settlement. With respect to any defense accepted by the Indemnifying Party, the relevant Indemnified Party shall be entitled to participate with the Indemnifying Party in such defense if the Claim requests equitable relief or other relief that could affect the rights of the Indemnified Party and also shall be entitled to employ separate counsel for such defense at such Indemnified Party's expense. If the Indemnifying Party does not accept the defense of any indemnified Claim as provided above, the relevant Indemnified Party shall have the right to employ counsel for such defense at the expense of the Indemnifying Party. Each Party agrees to cooperate and to cause its employees and agents to cooperate with the other Party in the defense of any such Claim and the relevant records of each Party shall be available to the other Party with respect to any such defense, subject to the restrictions and limitations set forth in **Section 14.0**.

11.0 LIMITATION OF LIABILITY/DISCLAIMER OF WARRANTIES

11.1 Limited Responsibility. Each Party shall be responsible only for service(s) and facility(ies) which are provided by that Party, its authorized agents, subcontractors, or others retained by such Parties, and neither Party shall bear any responsibility for the services and facilities provided by the other Party, its agents, subcontractors, or others retained by such Parties. No Party shall be liable for any act or omission of another Telecommunications Carrier (other than an Affiliate) providing a portion of a service.

11.2 Apportionment of Fault. In the case of any loss arising from the negligence or willful misconduct of both Parties, each Party shall bear, and its obligations shall be limited to, that portion of the resulting expense caused by its negligence or willful misconduct or the negligence or misconduct of such Party's Affiliates, agents, contractors, or other persons acting in concert with it.

11.3 Limitation of Damages. Each Party's liability to the other for any loss, cost, claim, injury or liability or expense, including reasonable attorney's fees relating to or arising out of its performance of this Agreement, except for willful or intentional misconduct, whether in contract or in tort, shall be limited to a credit for the actual cost of the services or functions not performed or improperly performed.

11.4 Consequential Damages. In no event shall either Party have any liability whatsoever to or through the other Party for any indirect, special, consequential, incidental or punitive damages, including but not limited to loss of anticipated profits or revenue or other economic loss in connection with or arising from anything said, omitted or done hereunder (collectively "Consequential Damages"), even if the other Party has been advised of the possibility of such damages; provided that the foregoing shall not limit a Party's liability to the other for willful or intentional misconduct.

11.5 EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NO PARTY MAKES OR RECEIVES ANY WARRANTY, EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE SERVICES, FUNCTIONS AND PRODUCTS IT PROVIDES OR IS CONTEMPLATED TO PROVIDE UNDER THIS AGREEMENT AND EACH PARTY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTIBILITY AND/OR OF FITNESS FOR A PARTICULAR PURPOSE.

12.0 REGULATORY FILING

12.1 Filing with the Commission. The Parties understand and agree that this Agreement will be filed with the Commission. Each Party agrees to fully support this Agreement before the Commission without modification; provided however that each Party may exercise its right to judicial review or any other available remedy at law or equity. If the Commission, the FCC or any court rejects any portion of this Agreement, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification of the rejected portion and related provisions; provided that such rejected portion shall not affect the validity of the remainder of this Agreement. The Parties acknowledge that nothing in this Agreement shall limit a Party's ability, independent of such Party's agreement to support and participate in the approval of this Agreement, to assert public policy issues relating to the Act.

12.2 Reservation of Rights. In the event of any revision of any amendment of the Act, any applicable Commission order or applicable arbitration award, either Party may by providing written notice to the other Party require that the affected provisions be renegotiated in good faith and this Agreement be amended accordingly to reflect the pricing, terms, and conditions of each such amendment relating to any of the provisions of this Agreement. If any such amendment to this Agreement affects any rates or charges of the services provided hereunder, each Party reserves its rights and remedies with respect to the collection of such rates or charges on a retroactive basis; including the right to seek a surcharge before the applicable regulatory authority.

12.3 Regulatory Changes. If any final nonappealable legislative, regulatory, judicial or other legal action materially affects the ability of a Party to perform any material obligation under this Agreement, a Party may, on sixty (60) days' written notice (delivered not later than sixty (60) days following the date on which such action has become legally binding and has otherwise become final and appealable), require that the affected provision(s) be renegotiated, and the Parties shall renegotiate in good faith such mutually acceptable new provision(s) as may be required; provided however that such affected provisions shall not affect the validity of the remainder of this Agreement. 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.

13.0 DISPUTE ESCALATION AND RESOLUTION

13.1 Negotiations. Except as otherwise provided herein, any dispute, controversy, or claim (individually and collectively a "Dispute") arising under this Agreement shall be resolved in accordance with the procedures set forth in this **Section 13.1**. In the event of a Dispute between the Parties relating to this Agreement and upon the written request of either Party, each of the Parties shall appoint a designated representative who has authority to settle the Dispute and who is at a higher level of management than the persons with direct responsibility for administration of this Agreement. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the Dispute and negotiate in good faith in an effort to resolve such Dispute. The specific format for such discussions will be left to the discretion of the designated representatives; however, all reasonable requests for relevant information made by one Party to the other Party will be honored. If the Parties are unable to resolve issues related to a Dispute within sixty (60) days after the Parties' appointment of designated representatives as set forth above, the Parties shall attempt in good faith to address any default or resolve any Dispute either through mutually agreed upon arbitration as set forth below or according to the applicable rules, guidelines or regulations of the Commission; provided however, a Party may pursue all available remedies in the event that there is no resolution of the Dispute pursuant to this **Section 13.1**.

13.2 Equitable Relief. Notwithstanding the foregoing, this Section shall not be construed to prevent either Party from seeking and obtaining temporary equitable remedies, including temporary restraining orders, if, in its judgment, such action is necessary to avoid irreparable harm. Despite any such action, the Party will continue to participate in good faith in the dispute resolution procedures described in this **Section 13.1**.

13.3 Arbitration. If the Negotiation procedures set forth in **Section 13.1** are unsuccessful, then both Parties may mutually agree to submit to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the

American Arbitration Association, provided however, that either Party can refuse to enter into arbitration under this **Section 13.3** for any reason. If arbitration is mutually agreed to then it shall be conducted 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 shall 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, demand to produce documents, or requests for admission. Each Party is entitled to take the oral deposition of one individual of another Party. Additional discovery may be permitted upon mutual agreement. The arbitration shall be held in a mutually agreed upon 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 the hearings.

13.3.1 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.

13.4 Notwithstanding the foregoing, in no event shall the Parties permit the pending of a Dispute to disrupt service to any GTE end user or Ameritech end user.

14.0 PROPRIETARY INFORMATION

14.1 Definition of Proprietary Information.

14.1.1 **"Proprietary Information"** means:

(a) all proprietary or confidential information of a Party (a **"Disclosing Party"**) including specifications, drawings, sketches, business information, forecasts, records (including each Party's records regarding Performance Benchmarks), Customer Proprietary Network Information, Customer Usage Data, audit information, models, samples, data, system interfaces, computer programs and other software and documentation that is furnished or made available or otherwise disclosed to the other Party or any of such other Party's Affiliates (individually and collectively, a **"Receiving Party"**) pursuant to this Agreement and, if written or in other tangible form, is marked "Confidential" or "Proprietary" or by other similar notice or if oral or visual, is identified as "Confidential" or "Proprietary" at the time of disclosure; and

(b) any portion of any notes, analyses, data, compilations, studies, interpretations or other documents prepared by any Receiving Party to the extent the same contain, reflect, are derived from, or are based upon, any of the information described in subsection (a) above, unless such information contained or reflected in such notes, analyses, etc. is so commingled with the Receiving Party's information that disclosure could not possibly disclose the underlying proprietary or confidential information (such portions of such notes, analyses, etc. referred to herein as **"Derivative Information"**).

14.2 The Disclosing Party will use its reasonable efforts to follow its customary practices regarding the marking of tangible Proprietary Information as "confidential," "proprietary," or other similar designation. The Parties agree that the designation in writing by the Disclosing Party that information is confidential or proprietary shall create a presumption that such information is confidential or proprietary to the extent such designation is reasonable.

14.3 Notwithstanding the requirements of this **Section 14.0**, all information relating to the Customers of a Party, including information that would constitute Customer Proprietary Network Information of a Party pursuant to the Act and FCC rules and regulations, and Customer Usage Data, whether disclosed by one Party to the other Party or otherwise acquired by a Party in the course of the performance of this Agreement, shall be deemed **"Proprietary Information"** of each Party.

14.4 Disclosure and Use.

14.4.1 Each Receiving Party agrees that from and after the Effective Date:

(a) all Proprietary Information communicated, whether before, on or after the Effective Date, to it or any of its contractors, consultants or agents (**"Representatives"**) in connection with this Agreement shall be held in confidence to the same extent as such Receiving Party holds its own confidential information; provided that such Receiving Party or Representative shall not use less than a reasonable standard of care in maintaining the confidentiality of such information;

(b) it will not, and it will not permit any of its employees, Affiliates or Representatives to disclose such Proprietary Information to any third person;

(c) it will disclose Proprietary Information only to those of its employees, Affiliates and Representatives who have a need for it in connection with the use or provision of services required to fulfill this Agreement, provided however that unless the Affiliate is Ameritech Corporation, Ameritech Services, Inc., Ameritech Illinois, Ameritech Indiana, Ameritech Michigan, Ameritech Ohio or Ameritech Wisconsin; or GTE South Incorporated, GTE North Incorporated, or GTE Service Corporation, each Party shall provide the other with prior written notification if such Proprietary Information is disclosed to an Affiliate; and

(d) it will, and will cause each of its employees, Affiliates and Representatives to use such Proprietary Information only to perform its obligations under this Agreement or to use services provided by the Disclosing Party hereunder and for no other purpose, including its own marketing purposes.

14.4.2 A Receiving Party may disclose Proprietary Information of a Disclosing Party to its Representatives who need to know such information to perform their obligations under this Agreement: provided that before disclosing any Proprietary Information to any Representative, such Party shall notify such Representative of such Representative's obligation to comply with this Agreement, and such Representative shall agree to comply with this Agreement. Any Receiving Party so disclosing Proprietary Information shall be responsible for any breach of this Agreement by any of its Representatives and such Receiving Party agrees, at its sole expense, to use its best efforts (including court proceedings) to restrain its Representatives from any prohibited or unauthorized disclosure or use of the Proprietary Information. Each Receiving Party making such disclosure shall notify the Disclosing Party as soon as possible if it has knowledge of a breach of this Agreement in any material respect. A Disclosing Party shall not disclose Proprietary Information directly to a Representative of the Receiving Party without the prior written authorization of the Receiving Party.

14.4.3 Proprietary Information shall not be reproduced by any Receiving Party or its Representatives in any form except to the extent (i) necessary to comply with the provisions of **Section 14.0** and (ii) reasonably necessary to perform its obligations under this Agreement. All such reproductions shall bear the same copyright and proprietary rights notices as are contained in or on the original.

14.4.4 This **Section 14.0** shall not apply to any Proprietary Information which the Receiving Party can establish to have:

(a) been disclosed by the Receiving Party with the Disclosing Party's prior written consent;

(b) become generally available to the public other than as a result of an unauthorized disclosure by a Receiving Party;

(c) been independently developed by a Receiving Party by an individual who has not had knowledge of or direct or indirect access to such Proprietary Information;

(d) been rightfully obtained by the Receiving Party, without restriction on disclosure, from a third person without knowledge that such third person is obligated to protect its confidentiality; provided that such Receiving Party has exercised commercially reasonable efforts to determine whether such third person has any such obligation; or

(e) been obligated to be produced or disclosed by Applicable law; provided that such production or disclosure shall have been made in accordance with **Section 14.0.**

14.5 Government Disclosure.

14.5.1 If a Receiving Party desires to disclose or provide to the Commission, the FCC or any other governmental authority any Proprietary Information of the Disclosing Party, such Receiving Party shall, prior to and as a condition of such disclosure, (i) provide the Disclosing Party with written notice and the form of such proposed disclosure as soon as possible but in any event early enough to allow the Disclosing Party to protect its interests in the Proprietary Information to be disclosed and (ii) attempt to obtain in accordance with the applicable procedures of the intended recipient of such Proprietary Information an order, appropriate protective relief of other reliable assurance that confidential treatment shall be accorded to such Proprietary Information.

14.5.2 If a Receiving Party is required by any governmental authority or by Applicable Law to disclose any Proprietary Information, then such Receiving Party shall provide the Disclosing Party with written notice of such requirement as soon as possible and prior to such disclosure. Upon receipt of written notice of the requirement to disclose Proprietary Information, the Disclosing Party, at its expense, may then either seek appropriate protective relief in advance of such requirement to prevent all or part of such disclosure or waive the Receiving Party's compliance with this **Section 14.0** with respect to all or part of such requirement.

14.5.3 The Receiving Party shall use all commercially reasonable efforts to cooperate with the Disclosing Party in attempting to obtain any protective relief which such Disclosing Party chooses to seek pursuant to this **Section 14.0.** In the absence of such relief, if the Receiving Party is legally compelled to disclose any Proprietary Information, then the Receiving Party shall exercise all commercially reasonable efforts to preserve the confidentiality of the Proprietary Information, including cooperating with the Disclosing Party to obtain an appropriate order or other reliable assurance that confidential treatment will be accorded the Proprietary Information.

14.6 Ownership**.**

14.6.1 All Proprietary Information, other than Derivative Information, shall remain the property of the Disclosing Party, and all documents or other tangible media delivered to the Receiving Party that embody such Proprietary Information shall be, at the option of the Disclosing Party, either promptly returned to Disclosing Party or destroyed, except as otherwise may be required from time to time by Applicable Law (in which case the use and disclosure of such Proprietary Information will continue to be subject to this Agreement), upon the earlier of (i) the date on which the Receiving Party's need for it has expired and (ii) the expiration or termination of this Agreement (including any applicable Transition Period).

14.6.2 At the request of the Disclosing Party, any Derivative Information shall be, at the option of the Receiving Party, either promptly returned to the Disclosing Party or destroyed, except as otherwise may be required from time to time by Applicable Law (in which case the use and disclosure of such Proprietary Information will continue to be subject to this Agreement), upon the earlier of (i) the date on which the Receiving Party's need for it has expired and (ii) the expiration or termination of this Agreement (including any applicable Transition Period).

14.6.3 The Receiving Party may at any time either return to the Disclosing Party or destroy Proprietary Information.

14.6.4 If destroyed, all copies shall be destroyed and upon the written request of the Disclosing Party, the Receiving Party shall provide to the Disclosing Party written certification of such destruction. The destruction or return of Proprietary Information shall not relieve any Receiving Party of its obligation to treat such Proprietary Information in the manner required by this Agreement.

15. MISCELLANEOUS

15.1 Compliance. Each Party shall comply with all applicable federal, state, and local laws, rules, and regulations applicable to its performance under this Agreement.

15.2 Compliance with the Communications Law Enforcement Act of 1994 ("CALEA"). Each Party represents and warrants that no equipment, facilities or services provided to the other Party under this Agreement shall be in violation of CALEA. With respect to the failure of either Party to comply with CALEA, each Party shall hold the other Party harmless from any and all penalties imposed upon the other Party pursuant to CALEA and shall at the its sole cost and expense, modify or replace any equipment, facilities or services provided under this Agreement to ensure that such equipment, facilities and services do not violate CALEA.

15.3 Independent Contractor. Each Party shall perform services hereunder as an independent contractor and nothing herein shall be construed as creating any other relationship between the Parties. Each Party and each Party's contractor shall be solely responsible for the withholding or payment of all applicable federal, state and local income taxes, social security taxes and other payroll taxes with respect to their employees, as well as any taxes, contributions or other obligations imposed by applicable state unemployment or workers' compensation acts. Each Party has sole authority and responsibility to hire, fire and otherwise control its employees.

15.4 Force Majeure. Neither Party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, or terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, equipment failure, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers.

15.5 Taxes. Each Party purchasing services hereunder shall pay to the providing Party or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges levied against or upon such purchasing Party (or the providing Party when such providing Party is permitted to pass along to the purchasing Party such taxes, fees or surcharges), and directly relating to the services purchased under this Agreement. In no event shall a Party purchasing services be responsible for the payment of any tax or fee on the providing Party's corporate existence, status, income, or property. Whenever possible, these amounts shall be billed as a separate item on the invoice. To the extent a sale is claimed to be subject to a resale tax exemption, the purchasing Party shall furnish the providing Party a proper resale tax exemption certificate as authorized or required by statute or regulation by the jurisdiction providing said resale tax exemption. Failure to timely provide said resale exemption certificate

will result in no exemption being available to the purchasing Party for any charges invoiced prior to the date such exemption certificate is furnished. The Party obligated to pay any such taxes 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 contesting Party shall not permit any lien to exist on any asset of the other Party be reason of such contest. The Party obligated to collect and remit shall cooperate in any such contest by the other Party. As a condition of contesting any taxes due hereunder, the contesting Party agrees to be liable and indemnify and reimburse the other Party for any additional amounts that may be due by reason of such contest, including any interest and penalties.

15.6 Non-Assignment. Neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other Party; provided that each Party may assign this Agreement to a corporate Affiliate by providing prior written notice to the other Party of such assignment or transfer. Any attempted or transfer that is not permitted is void ab initio. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

15.7 Non-Waiver. Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege.

15.8 Notices. Notices given by one Party to the other under this Agreement shall be in writing and shall be (a) delivered personally, (b) delivered by express delivery service, (c) mailed, certified mail or first class U.S. mail postage prepaid, return receipt requested, or (d) delivered by telecopy to the following addresses of the Parties:

For Ameritech:

Director-Contract Development/Administration
Ameritech Information Industry Services
350 North Orleans Street, Floor 3
Chicago, Illinois 60654

For GTE:

GTE North - Michigan
State Director - External Affairs
860 Terrace Street
Muskegon, Michigan 49443

GTE North - Michigan
AVP Associate General Counsel
100 Executive Drive
Manion, Ohio 43302

GTE Telephone Operations
Mr. Thomas Parker
AVP Associate General Counsel
600 Hidden Ridge
Irving, Texas 75038

or to such other address as either Party shall designate by proper notice. Notices will be deemed given as of the earlier of (a) the date of actual receipt, (b) the next business day when notice is sent via express mail or personal delivery, (c) three (3) days after mailing in the case of first class or certified U.S. mail, or (d) on the date set forth in the confirmation in the case of a telecopy.

15.9 Survival. The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement, including without limitation, **Sections 10.0** (Indemnification) and **14.0** (Confidentiality).

15.10 No Inferences of Work Product. This Agreement is the joint work product of the Parties, has been negotiated by the Parties and their respective counsel, shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

15.11 Publicity. Neither Party nor its subcontractors or agents shall use the other Party's trademarks, service marks, logos or other proprietary trade dress in any advertising, press releases, publicity matters, or other promotional materials without such Party's prior written consent, except as permitted by Applicable Law.

15.12 No License. No license under patents, copyrights or any other intellectual property right (other than the limited license to use consistent with the terms, conditions and restrictions of this Agreement) is granted by either Party or shall be implied or arise by estoppel with respect to any transactions contemplated under this Agreement.

15.13 No Third Party Beneficiaries; Disclaimer of Agency. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein express or implied shall create or be construed to create any third-party beneficiary rights hereunder. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative

or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligations of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

15.14 Superseding Agreement. This Agreement shall cancel and supersede all previous settlement and/or compensation terms and conditions between the Parties and/or their predecessors relating to the provision of Local Traffic pursuant to this Agreement.

15.15 Except as otherwise contained herein, nothing in this Agreement shall be construed as granting to either Party any collocation arrangements through either physical or virtual collocation (Collocation), any access to any unbundled network elements (Unbundled Network Elements), or access to operational support systems (OSS Access), and nothing herein shall be construed as waiving or limiting in any way any rights available to either Party under the Act with respect to Collocation, Unbundled Access, OSS Access or other matters, including but not limited to, ancillary services such as access to poles/ducts/conduits, rights-of-way, toll services, and LIDB. The Parties reserve the right to negotiate such matters in separate agreements.

15.16 Authorization. Ameritech Services, Inc. is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Ameritech Information Industry Services, a division of Ameritech Services, Inc., has full power and authority to execute and deliver this Agreement and to perform the obligations hereunder on behalf of and as an agent for Ameritech Illinois, Ameritech Indiana, Ameritech Michigan, Ameritech Ohio, and Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin.

GTE, is a corporation duly organized, validly existing and in good standing under the laws of the State of Wisconsin, and the State of Georgia. GTE has full power and authority to execute and deliver this Agreement and to perform the obligations hereunder.

15.17 Entire Agreement. The terms contained in this Agreement and any exhibits referred to herein, which are incorporated into this Agreement by this reference, constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written. Neither Party shall be bound by any pre-printed terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations,

acknowledgments, invoices or other communications. This Agreement may only be modified by a writing signed by an officer of each Party.

Attached and incorporated herein are the following:

Exhibit 1	Rates for Extended Area Service (EAS)
Exhibit 2	Extended Area Service Exchanges
Exhibit 3	Traffic Studies

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of this _____ day of June 1997.

GTE North Incorporated and Contel of the South, Inc.	Ameritech Information Industry Services, a division of Ameritech Services, Inc., on behalf of Ameritech Michigan
By:_____	By:_____
Printed:_____	Printed:_____
Title:_____	Title:_____
Date:_____	Date:_____

Pricing Schedule

Ameritech Michigan Rates

End Office Integration/Reciprocal Compensation		**Rates**
End Office Local Termination	$	0.003637 per minute of use
Tandem Switching	$	0.001013 per minute of use
Tandem Transport Term,	$	0.000322 per minute of use
Tandem Transport Facility Mileage	$	0.000008 per minute of use
Dedicated/Shared Transport DS1 CMT	$	23.34 per termination
Dedicated/Shared Transport DS1 CM	$	2.42 per mile
Dedicated/Shared Transport DS3 CMT	$	168.04 per termination
Dedicated/Shared Transport DS3 CM	$	27.30 per mile

Transit Service		
Transit Switching	$	0.004853 per minute of use
Transit Transport Termination	$	0.000305 per minute of use
Transit Transport Facility Mileage	$	0.000008 per mile per minute of use

GTE Michigan Rates

Termination Local Switching, per minute of use	$ 0.0056700
Tandem Switching, per minute of use	$0.0014228
Common Transport:	
Facility, per mile per minute of use	$0.0000025
Termination, per minute of use	$0.0000930
Dedicated Transport:	
DS1, Entrance Facility, per facility	$237.17
DS1, Termination, per facility termination	$36.02
DS1, Facility, per facility per mile	$0.96

EXHIBIT 2

Extended Area Service Exchanges

GTE Exchange	Ameritech Exchange

[To Be Provided]

EXHIBIT 3

Traffic Studies

1.0 In those exchanges in which, Ameritech or GTE has electronic switching systems in place to switch EAS traffic for their respective exchanges, the Parties will collect representative trunk usage and jointly determine the relative traffic volumes on the associated trunk groups which originate from each Party's exchanges.

2.0 The Parties shall participate in a traffic study pursuant to the terms and conditions outline below, to determine the EAS traffic minutes of use that originate in each Party's Exchange(s) and terminate in the other Party's Exchange(s). The Parties shall use the results of this study to remit compensation as set forth in this Agreement.

3.0 The traffic study may be updated at the request of either Party upon the information or belief that changes in the traffic originating in one Party's Exchange(s) and terminating to the other Party's Exchange(s) warrant such an update. In no case shall a traffic study be performed more frequently than once in a six (6) month period or less frequently than once in any twelve (12) month period.

4.0 Compensation under the traffic studies, shall continue until such time as one Party has the capability to record, process and bill for actual usage terminating to the other Party's Exchange(s) under Section 6.0 in the Agreement.