

**INTERCONNECTION AND RECIPROCAL  
COMPENSATION AGREEMENT**

By and Between

UPPER PENINSULA TELEPHONE COMPANY

And

SPRINT SPECTRUM, L. P. and NEXTEL WEST CORP.

For the state of

Michigan

Effective Date: July 1, 2005  
Date of Bona Fide Request

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This Interconnection and Reciprocal Compensation Agreement ("Agreement") is entered into by and between UPPER PENINSULA TELEPHONE COMPANY ("UPPER PENINSULA") and SPRINT SPECTRUM, L.P., as agent for Wireless Co., LP and Sprintcom, Inc. and Nextel West CORP., (collectively, "SPRINT"). This Agreement is effective July 1, 2005 (the "Effective Date").

WHEREAS, SPRINT is authorized by the Federal Communications Commission ("FCC") to provide commercial mobile radio service ("CMRS") and provides such service to its end user customers, operating wireless affiliates and switch share/managed markets; and

WHEREAS, UPPER PENINSULA is an incumbent local exchange carrier and certified provider of local exchange service; and

WHEREAS, SPRINT terminates local telecommunications traffic that originates from UPPER PENINSULA's subscribers, and UPPER PENINSULA terminates local telecommunications traffic that originates from SPRINT's subscribers; and

WHEREAS, SPRINT provides a point of interconnection in the UPPER PENINSULA service areas, or interconnects with UPPER PENINSULA's network via a third party tandem switch; and

WHEREAS, the Parties wish to establish a reciprocal compensation interconnection arrangement that compensates each other for terminating local telecommunications traffic that originates on the other Party's network.

NOW, THEREFORE, IN CONSIDERATION of the covenants contained herein, the Parties hereby agree as follows:

1. DEFINITIONS.

Special meanings are given to common words in the telecommunications industry, and coined words and acronyms are common in the custom and usage in the industry. Words used in this contract are to be understood according to the custom and usage of the telecommunications industry, as an exception to the general rule of contract interpretation that words are to be understood in their ordinary and popular sense. In addition to this rule of interpretation, the following terms used in this Agreement shall have the meanings as specified below:

1.1 "Act" means the Communications Act of 1934, as amended.

1.2 "Affiliate" means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10 percent.

- 1.3 “Central Office Switch” means a LEC switch used to provide Telecommunications Services, including, but not limited to:
- (a) “End Office Switch” is a switch in which the subscriber station loops are terminated for connection to either lines or trunks. The subscriber receives terminating, switching, signaling, transmission, and related functions for a defined geographic area by means of an End Office Switch.
  - (b) “Remote End Office Switch” is a switch in which the subscriber station loops are terminated. The control equipment providing terminating, switching, signaling, transmission, and related functions would reside in a host office. Local switching capabilities may be resident in a Remote End Office Switch.
  - (c) “Host Office Switch” is a switch with centralized control over the functions of one or more Remote End Office Switches. A Host Office Switch can serve as an end office as well as providing services to other remote end offices requiring terminating, signaling, transmission, and related functions including local switching.
  - (d) “Tandem Office Switch” is a switching system that establishes trunk-to-trunk connections. Local tandems switch calls from one end office to another within the same geographic area, and access tandems switch traffic from an end office to and from an Interexchange Carrier. A Tandem Office Switch can provide host office or end office switching functions as well as the tandem functions. A Central Office Switch may also be employed as a combination End Office/Tandem Office Switch.
- 1.4 “Commercial Mobile Radio Services” or “CMRS” means Commercial Mobile Radio Services as defined in 47 C.F.R. Part 20.
- 1.5 “Commission” means the Michigan Public Service Commission.
- 1.6 “Extended Area Service” or “EAS” is defined as traffic that originates in one exchange and terminates in another exchange, where the originating and terminating exchanges have an arrangement between them such that a separate toll charge is not applied. The terms EAS and EAS Exchanges are as defined and specified in UPPER PENINSULA’s Expanded Area Service Tariff MPSC 10R.
- 1.7 “Effective Date” means the date first above written.
- 1.8 “FCC” means the Federal Communications Commission.
- 1.9 “Impairment of Service” means the characteristics and methods of operation of any circuits, facilities or equipment of either Party connected with the circuits, facilities or equipment of the other Party pursuant to this Agreement shall not interfere with or impair service over any facilities of the other Party, cause

damage to its plant, violate any applicable law or regulation regarding the invasion of privacy of any communications carrier over the Party's facilities or create hazards to the employees of either Party or to the public.

- 1.10 "Interconnection" is defined as the direct or indirect linking of two networks for the mutual exchange of traffic. This term does not include the transport and termination of traffic. (47 C.F.R. Section 51.5).
- 1.11 "Interexchange Carrier" or "IXC" means a carrier, other than a CMRS provider, that provides or carries, directly or indirectly, interexchange service.
- 1.12 "Local Service Area" means, for SPRINT-originated traffic, Major Trading Area Number 5 and for UPPER PENINSULA-originated traffic, its local calling area contained in UPPER PENINSULA's Local Exchange Service Area Tariff MPSC 1R.
- 1.13 "Local Exchange Carrier" or "LEC" is as defined in the Act.
- 1.14 "Major Trading Area" or "MTA" means Major Trading Area as defined by the FCC in 47 C.F.R. Part 24.202.
- 1.15 "Mobile Switching Center" or "MSC" is a switching facility that performs the switching for the routing of calls among its mobile subscribers and subscribers in other mobile or landline networks. The MSC is used to connect and switch trunk circuits within the wireless network and between the wireless network and the public switched network for wireless traffic by a CMRS provider.
- 1.16 "Non-Subject Telecommunications Traffic" – means all traffic that is not Subject Telecommunications Traffic as defined in Section 1.22 of this Agreement. Non-Subject Telecommunications Traffic includes traffic that is rated as Subject Telecommunications Traffic, based on the rate centers associated with the originating and terminating numbers, but originates and terminates in different MTAs.
- 1.17 "NPA" or the "Number Plan Area" also referred to as an "area code" refers to the three-digit code which precedes the NXX in a dialing sequence and identifies the general calling area within the North American Numbering Plan scope to which a call is routed to (i.e., NPA/NXX-XXXX).
- 1.18 "NXX" means the three-digit code, which appears as the first three digits of a seven-digit telephone number within a valid NPA or area code.
- 1.19 "Party" means either UPPER PENINSULA or SPRINT / NEXTEL, and "Parties" means UPPER PENINSULA and SPRINT / NEXTEL.

- 1.20 “Point of Interconnection” or “POI” means that technically feasible point in the network where the physical linking of two networks occurs for the mutual exchange of traffic.
- 1.21 “Rate Center” means the specific geographic point and corresponding geographic area that is associated with one or more NPA-NXX codes that have been assigned to an incumbent LEC for its provision of exchange services.
- 1.22 “Reciprocal Compensation” means an arrangement between two carriers in which each receives compensation from the other carrier for the Transport and Termination on each carrier’s network of Subject Telecommunications Traffic, as defined in Section 1.22 below, that originates on the network facilities of the other carrier.
- 1.23 “Subject Telecommunications Traffic” is defined for all purposes under this Agreement as Local Service Area traffic that (a) is originated by a customer of one Party on that Party’s network, (b) terminates to a customer of the other Party on the other Party’s network within the same Major Trading Area (MTA), and (c) may be handled pursuant to an approved interconnection agreement between the originating Party and a carrier which performs only a contractual transiting function for the originating Party in lieu of a direct connection between the Parties, provided that the service provided by SPRINT is a two-way mobile service. For purposes of determining originating and terminating points, the originating or terminating point for UPPER PENINSULA shall be the end office serving the calling or called party, and for SPRINT shall be the originating or terminating cell site location which services the calling or called party at the beginning of the call.
- 1.24 “Telecommunications” means the transmission, between or among points specified by the user, of information of the user’s choosing, without change in the form or content of the information as sent and received.
- 1.25 “Telecommunications Carrier” means any provider of telecommunications services (as defined in the Act), except that such term does not include aggregators of telecommunications services (as defined in 47 U.S.C. Section 226(a)(2)).
- 1.26 “Termination” means the switching of Subject Telecommunications Traffic at the terminating carrier’s End Office Switch, or equivalent facility, and delivery of such traffic to the called party.
- 1.27 “Transiting Traffic” is traffic that originates from one provider’s network, “transits” one or more other provider’s network substantially unchanged, and terminates to yet another provider’s network.
- 1.28 “Transport” means the transmission and any necessary tandem switching of Subject Telecommunications Traffic subject to Section 251(b)(5) of the Act from

the Point of Interconnection between the two carriers to the terminating carrier's End Office Switch that directly serves the called party, or equivalent facility provided by a carrier other than an incumbent LEC.

- 1.29 "Type 1 Service", often referred to as a line-side trunk connection, is a service that involves connection to a telephone company end office similar to that provided to a private branch exchange (PBX). A type 1 Service is offered in connection with the provision of telephone numbers hosted by a UPPER PENINSULA switch.
- 1.30 "Type 2 Service", often referred to as a trunk side connection, is a service that involves interconnection to a telephone company end office (Type 2-B) or tandem (Type 2-A).

## 2. RURAL TELEPHONE COMPANY.

UPPER PENINSULA asserts that it is a "rural telephone company" as that term is defined in the Federal Communications Act of 1934, as amended, 47 U.S.C. 153 et seq. (the "Act"). UPPER PENINSULA further asserts that, pursuant to Section 251(f)(1) of the Act, UPPER PENINSULA is exempt from Section 251(c) of the Act. Accordingly, UPPER PENINSULA expressly reserves the right to assert its right to an exemption or waiver and modification of Section 251(c) of the Act, in response to other requests for interconnection by SPRINT or any other carrier.

## 3. SCOPE

3.1 This Agreement is intended, inter alia, to describe and enable specific Interconnection and Reciprocal Compensation arrangements between the Parties. This Agreement does not obligate either Party to provide arrangements not specifically provided for herein.

3.2 This Agreement sets forth the terms, conditions, and rates under which the Parties agree to interconnect directly or indirectly the CMRS network of SPRINT and the ILEC network of UPPER PENINSULA for purposes of exchanging Local Service Area traffic, provided that the service provided by SPRINT to its customer is a two-way mobile service as defined in 47 U.S.C. §153(27). This Agreement does not cover SPRINT one-way paging service traffic or fixed-wireless. SPRINT does not currently provide fixed wireless services in UPPER PENINSULA's Local Service Area. SPRINT agrees that it will provide UPPER PENINSULA Sixty (60) days prior notice of its intent to launch fixed wireless services in UPPER PENINSULA's Local Service Area. Upon UPPER PENINSULA's receipt of such notice, the Parties agree to negotiate an appropriate agreement or an Amendment to this Agreement, which will address the exchange of such traffic.

3.3 SPRINT represents that it is a CMRS provider of telecommunications services to subscribers in MTA Number 5 (Michigan). SPRINT's NPA/NXXs are listed in Telcordia's Local Exchange Routing Guide ("LERG") under Operating Company Number ("OCN") 6232 and 6664 in the state of Michigan.

3.4 This Agreement is limited to UPPER PENINSULA end user customers' traffic for which UPPER PENINSULA has tariff authority to carry. UPPER PENINSULA's NPA/NXX(s) are listed in the LERG under OCN 0732, in the state of Michigan.

3.5 SPRINT may order facilities from UPPER PENINSULA for delivery of EAS traffic directly to SPRINT. If SPRINT orders such facilities, the Parties agree that an NPA/NXX assigned to SPRINT shall be included in any EAS calling scope to the same extent as any other incumbent LECs NPA/NXX in the same rate center provided that SPRINT assigns numbers from such NPA/NXX(s) to customers that are within the Local Service Area of UPPER PENINSULA and that SPRINT has network facilities to serve such customers.

3.6 The traffic that is exchanged through an Interexchange Carrier ("IXC") is not covered under this Agreement.

3.7 Any amendment, modification, or supplement to this Agreement must be in writing and signed by an authorized employee of each Party.

3.8 If SPRINT connects indirectly with UPPER PENINSULA, SPRINT agrees to route traffic to UPPER PENINSULA through the tandem designated by UPPER PENINSULA in the LERG.

#### 4. SERVICE AGREEMENT

Description of Arrangements. This Agreement provides for the following interconnection and arrangements between the networks of UPPER PENINSULA and SPRINT. Routing of traffic shall be as described in this section, except that, alternatives may be employed in the event of emergency or temporary equipment failure.

4.1 Interconnection at UPPER PENINSULA: If both parties agree to implement a direct interconnection trunk group, it will be provisioned between UPPER PENINSULA's End Office Switch and SPRINT's point of presence in the exchange, with the POI designated at UPPER PENINSULA's switch. This trunk group is provisioned in connection with SPRINT's NPA/NXX(s) as listed in the LERG that are rate centered in UPPER PENINSULA's exchanges(s) or EAS exchange(s). Applicable charges for establishing and provisioning this trunk group are billed by UPPER PENINSULA to SPRINT as described in 4.3.4 below.



A. Landline-to-Wireless:

Local Service Area calls from UPPER PENINSULA customers to SPRINT customers shall be routed from UPPER PENINSULA's End Office Switch to SPRINT via the direct trunk group.

B. Wireless-to-Landline:

Local Service Area calls originated by SPRINT's customers within MTA No. 5 (Michigan) or customers of another CMRS provider that has entered into roaming arrangement with SPRINT, while roaming in MTA No. 5, to UPPER PENINSULA's customers shall be routed from SPRINT's network via the direct trunk group to UPPER PENINSULA's End Office Switch for termination by UPPER PENINSULA to its customers, as appropriate.

4.2 Indirect Traffic to UPPER PENINSULA: To the extent that SPRINT and other area ILECs have entered into or may enter into contractual arrangements for the delivery of SPRINT traffic to UPPER PENINSULA's network (i.e. traffic that is not covered elsewhere in this Agreement) for termination to UPPER PENINSULA's customers, UPPER PENINSULA will accept this traffic subject to compensation arrangement as outlined in Section 5 below.

5. COMPENSATION

5.1 Traffic Subject to Reciprocal Compensation.

Reciprocal compensation is applicable for Transport and Termination of Subject Telecommunications Traffic as defined in Section 1.22 of this Agreement and is related to the exchange of traffic described in Section 3. For the purposes of billing compensation for Subject Telecommunications Traffic, billed minutes will be based upon actual usage recorded and/or records/reports provided by the transiting carrier. Measured usage begins when the terminating recording switch receives answer supervision from the called end-user and ends when the terminating recording switch receives or sends disconnect (release message) supervision, whichever occurs first. The measured usage is aggregated at the end of the measurement cycle and rounded to a whole minute. Billing for Subject Telecommunications Traffic shall be based on the aggregated measured usage less traffic recorded as local that is Non-Subject Telecommunications Traffic.

The rate for Reciprocal Compensation is listed in **Attachment A**.

The Parties agree to bill each other for Subject Telecommunications Traffic as described in this Agreement unless the Subject Telecommunications Traffic exchanged between the Parties is balanced and falls within an agreed upon threshold ("Traffic Balance Threshold"). The Parties agree that for purposes of this Agreement, the Traffic Balance Threshold is reached when the Subject Telecommunications Traffic exchanged, both directly and indirectly, falls between 52.5% / 47.5% in either the wireless-to-landline or landline-to-wireless direction. When the actual usage data for three (3)

consecutive months indicates that the Subject Telecommunications Traffic exchanged, both directly and indirectly, falls within the Traffic Balance Threshold, then either Party may provide the other Party a written request, along with verifiable information supporting such request, to eliminate billing for Reciprocal Compensation per minute. Upon written consent by the Party receiving the request, there will be no billing for Reciprocal Compensation on a going forward basis unless otherwise agreed to by both Parties, in writing.

## 5.2 Traffic Subject to Switched Access Compensation.

Parties agree that certain traffic rated and recorded as Subject Telecommunications Traffic, may originate or terminate in another MTA, and therefore is Non-Subject Telecommunications Traffic and subject to Switched Access Compensation.

Switched Access Compensation is applicable to traffic delivered by SPRINT to UPPER PENINSULA that originates in another MTA; to the extent that such traffic is not handed off to an IXC. SPRINT shall compensate UPPER PENINSULA at UPPER PENINSULA's Switched Access rates set forth in UPPER PENINSULA's MECA MPSC Tariff 25 for all such traffic.

## 5.3 Calculation of Payments and Billing.

5.3.1 UPPER PENINSULA shall compensate SPRINT for Subject Telecommunications Traffic that is delivered by UPPER PENINSULA to SPRINT, as prescribed in Section 3.1 and at the rate provided in Attachment A. SPRINT will compensate UPPER PENINSULA for Subject Telecommunications Traffic delivered to UPPER PENINSULA for termination to its customers, as prescribed in Sections 3.1 and 3.2, , as applicable and at the rate provided in Attachment A and for Access Traffic exchanged between SPRINT & UPPER PENINSULA, as prescribed and at the rates provided in Section 4.2.

5.3.2 SPRINT shall prepare a monthly billing statement to UPPER PENINSULA, reflecting the calculation of Reciprocal Compensation due SPRINT. UPPER PENINSULA shall prepare a monthly billing statement to SPRINT, which will separately reflect the calculation of Reciprocal Compensation, Switched Access Compensation, and total compensation due UPPER PENINSULA.

5.3.3 Recognizing that UPPER PENINSULA has no way of measuring the Non-Subject Telecommunications Traffic, in the event that SPRINT does not track the usage information required to identify the Non-Subject Telecommunications Traffic originated or terminated by UPPER PENINSULA, Parties agree to a default factor of 2% as an estimate of Non-Subject Telecommunications Traffic.

The actual recorded usage shall be the basis for billing, when available and verifiable

5.3.4 Dedicated interconnection facilities used for two-way traffic exchange between the Parties will be mutually agreed upon and the charges for such facilities, excluding cost of new construction (which shall be paid for by UPPER PENINSULA), provided and billed by UPPER PENINSULA shall be shared based on each Party's proportion of originating Subject Telecommunications Traffic to total Subject Telecommunications Traffic exchanged between the Parties, in accordance with this Agreement. For the purposes of billing compensation for Subject Telecommunications Traffic, billed minutes will be based upon actual usage data or records/reports provided by the transiting carrier may be the basis for billing, If actual usage data or records/reports provided by the transiting carrier are not available to determine the amount of Subject Telecommunications Traffic exchanged between the Parties, then an estimated percentage of originating Subject Telecommunications Traffic to total Subject Telecommunications Traffic may be used. This estimated percentage is referred to as the Traffic Factor and is listed in **Attachment A**. The Parties agree to review the Traffic Factor on a periodic basis and, if warranted by the actual usage, revise the Traffic Factor appropriately. Supporting documentation for the percentage change will be provided. If the Parties do not reach agreement on the proposed Traffic Factor within 60 days of receipt of the proposed percentage change by the other Party, then either Party may seek resolution through Section 24 Dispute Resolution.

5.3.5 The Parties agree that disputed and undisputed amounts due under this Agreement shall be handled as follows:

5.3.5.1 If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") shall, within thirty (30) days of its receipt of the invoice containing such disputed amount, give written notice to the Billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. The Non-Paying Party shall pay within forty-five (45) days of receipt on an invoice, all undisputed amounts to the Billing Party. The Parties will work together in good faith to resolve issues relating to the disputed amounts. If the dispute cannot be resolved within thirty (30) days of receipt, the dispute will be escalated to the 2<sup>nd</sup> level of management within each company. If the dispute cannot be resolved within sixty (60) days of the receipt, the dispute will be escalated to the 3<sup>rd</sup> level. After ninety (90) days from receipt of dispute, the Parties will follow the Formal Dispute Resolution procedures in Section 24. If the dispute is resolved such that payment is required, the Non-Paying Party shall pay the disputed amounts with interest at the lesser of (i) one and one-half percent (1-1/2%) per month or (ii) the highest rate of interest that may be charged under Michigan's applicable law. In addition, the Billing

Party may cease terminating traffic for the Non-Paying Party after undisputed amounts not paid become more than 90 days past due, provided the Billing Party gives 30 days' written notice and opportunity to cure the default prior to terminating service.

5.3.5.2 Any undisputed amounts not paid when due shall accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1-1/2%) per month or (ii) the highest rate of interest that may be charged under Michigan's applicable law.

5.3.5.3 Undisputed amounts shall be paid within forty-five days of receipt of the invoice.

## 6. RESOLUTION.

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

## 7. GENERAL RESPONSIBILITIES OF THE PARTIES

7.1 Each Party is individually responsible to provide facilities within its network which are necessary for routing, transporting and, consistent with Section 4, measuring and billing traffic from the other Party's network and for delivering such traffic to the other Party's network in an acceptable industry standard format, and to terminate the traffic it receives in that acceptable industry standard format to the proper address on its network.

The Parties are each solely responsible for participation in and compliance with national network plans, including The National Network Security Plan and The Emergency Preparedness Plan. Neither Party shall use any of the services provided in this Agreement in any manner that impairs or destroys the normal quality of service to either Party's customers, and subject to prior written notice and a reasonable opportunity of the offending Party to cure any violation, either Party may discontinue or refuse service if the other Party violates this provision.

7.2 Each Party is solely responsible for the services it provides to its customers and to other Telecommunications Carriers.

7.3 Each Party is responsible for managing NXX codes assigned to it.

7.4 Each Party is responsible for obtaining Local Exchange Routing Guide ("LERG") listings of the Common Language Location Identifier ("CLLI") assigned to its switches.

7.5 SS7 Out of Band Signaling (CCS/SS7) shall be the signaling of choice for interconnecting trunks where technically feasible for both Parties. Use of a third-party provider of SS7 trunks for connecting SPRINT to the UPPER PENINSULA SS7 systems is permitted. Such connections will meet generally accepted industry technical standards.

7.6 Each Party shall be responsible for its own independent connections to the 911/E911 network.

7.7 Each Party agrees to provide the tandem or transiting provider all necessary call information currently specified in TELCORDIA documents governing signaling including, but not limited to ATIS-0409001-300, GR-394-CORE and GR-317-CORE,

## 8. NOTICE OF CHANGES

If a Party contemplates a change in its network, which it believes will materially affect the inter-operability of its network with the other Party, the Party making the change shall provide at least ninety (90) days advance written notice of such change to the other Party, provided, however, that this provision shall not apply to changes necessitated by emergencies or other circumstances outside the control of the party modifying its network.

## 9. TROUBLE REPORTING.

In order to facilitate trouble reporting and to coordinate the repair of interconnection facilities, trunks, and other manners of interconnection provided by the Parties under this Agreement, each Party has established a single point of contact available 24 hours per day, seven days per week, at telephone numbers to be provided by the Parties. Each Party shall call the other at these respective telephone numbers to report trouble with connection facilities, trunks, and other manners of interconnection, to inquire as to the status of trouble ticket numbers in progress, and to escalate trouble resolution.

Before either Party reports a trouble condition, it must first use its reasonable efforts to isolate the trouble to the other Party's facilities, service, and connection. Each Party will advise the other of any critical nature of the inoperative facilities, service, and connection and any need for expedited clearance of trouble. In cases where a Party has indicated the essential or critical need for restoration of the facilities, services or connections, the other Party shall use reasonable efforts to expedite the clearance of trouble.

## 10. TERM AND TERMINATION.

10.1 Subject to the termination provisions contained in this Agreement, the term of this Agreement shall be twelve (12) months from the Effective Date and thereafter shall continue in effect for consecutive 180 day terms, unless, not less than sixty (60) days prior to the end of the Term or any renewal term, either Party notifies the other Party of its intent to terminate this Agreement or renegotiate a new agreement. In the event of such renegotiation, this Agreement shall remain in effect until such time that a new agreement becomes effective.

10.2 Notwithstanding 9.1, this Agreement shall be terminated in the event that:

- a) the FCC revokes, cancels, does not renew or otherwise terminates SPRINT's authorization to provide CMRS in the area served by UPPER PENINSULA, or the Commission revokes, cancels, or otherwise terminates UPPER PENINSULA's certification to provide local service;
- b) either Party becomes bankrupt or insolvent, makes a general assignment for the benefit of, or enters into any arrangement with creditors, files a voluntary petition under any bankruptcy, insolvency or similar laws, or proceedings are instituted under any such laws seeking the appointment of a receiver, trustee or liquidator instituted against it which are not terminated within 60 days of such commencement.

10.3 Either Party shall have the right to terminate this Agreement upon written notice to the other Party in the event:

- a) a Party is in arrears in the payment of any undisputed amount due under this Agreement for more than 90 days, and the Party does not pay such sums within ten business days of the other Party's demand for payment;
- b) a Party is in material breach of the provisions of this Agreement and that breach continues for a period of thirty days after the other Party notifies the breaching Party of such breach, including a reasonably detailed statement of the nature of the breach.

## 11. LIABILITY UPON TERMINATION.

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

## 12. AMENDMENTS.

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

13. ASSIGNMENT.

Any assignment by either Party of any right, obligation, or duty, in whole or in part, or of any interest, without the written consent of the other Party, which consent shall not be unreasonably withheld, shall be void, except that either Party may assign all of its rights, and delegate its obligations, liabilities and duties under this Agreement, either in whole or in part, to any entity that is, or that was immediately preceding such assignment, a Subsidiary or Affiliate of that Party or to an entity acquiring all or substantially all of the assets of a Party without consent, but with written notification. The effectiveness of an assignment shall be conditioned upon the assignee's written assumption of the rights, obligations, and duties of the assigning Party.

14. AUTHORITY.

Each person whose signature appears on this Agreement represents and warrants that he or she has authority to bind the Party on whose behalf he or she has executed this Agreement.

15. BINDING AFFECT.

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

16. COMPLIANCE WITH LAWS AND REGULATIONS.

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

17. ENTIRE AGREEMENT.

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

18. EXPENSES.

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

19. FORCE MAJEURE.

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

20. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the state of Michigan as issued under the authority of Public Act 179, dated December, 1991, as mandated by Public Act 216, dated November, 1995, as further amended by Public Act 295, as well as the Telecommunications Act of 1996 and other federal laws, and shall be subject to exclusive jurisdiction of the courts and/or regulatory commission of such state, except to the extent that the Telecommunications Act of 1996 and other federal laws provide for federal jurisdiction.

21. TAXES.

The parties shall comply with all federal, state, and local tax laws applicable to transactions occurring under this Agreement. Each Party shall pay 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 Party. The Providing Party will separately state all taxable and nontaxable charges on the original invoice for goods or services provided under this Agreement. The Providing Party will separately state all taxes, fees, or surcharges on the original invoice for goods or services provided under this Agreement. All purchases under this agreement are for resale in the ordinary course of Purchasing Party's business. Purchasing Party shall furnish the Providing Party a proper resale tax exemption certificate or other documentation to Providing Party upon request.



The parties shall cooperate with one another to minimize taxes arising from this Agreement.

22. INDEPENDENT CONTRACTOR RELATIONSHIP.

The persons implementing this Agreement on behalf of each Party shall be solely that Party's employees or contractors and shall be under the sole and exclusive direction and control of that Party. They shall not be considered employees of the other Party for any purpose. Each Party shall remain an independent contractor with respect to the other and shall be responsible for compliance with all laws, rules and regulations involving, but not limited to, employment of labor, hours of labor, health and safety, working conditions and payment of wages. Each Party shall also be responsible for payment of taxes, including federal, state and municipal taxes, chargeable or assessed with respect to its employees, such as Social Security, unemployment, workers' compensation, disability insurance, and federal and state withholding.

23. LIABILITY AND INDEMNITY.

23.1 Indemnification.

Each Party agrees to release, indemnify, defend, and hold harmless the other Party from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, whether suffered, made, instituted, or asserted by any other Party or person, for invasion of privacy, personal injury to or death of any person or persons, or for losses, damages, or destruction of property, whether or not owned by others, proximately caused by the indemnifying Party's negligence or willful misconduct, regardless of form of action.

23.3. Disclaimer.

**EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES TO THE OTHER PARTY CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES OR FACILITIES PROVIDED UNDER THIS AGREEMENT. EACH PARTY DISCLAIMS, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.**

23.4 Limitation of Liability.

Each Party's liability, whether in tort or otherwise, shall be limited to direct damages, which shall not exceed the pro rata portion of the monthly charges for the services or facilities for the time period during which the services or facilities provided pursuant to

this Agreement are inoperative, not to exceed in total Provider's monthly charge to Customer. Under no circumstance shall Provider be responsible or liable for indirect, incidental, or consequential damages, including, but not limited to, economic loss or lost business or profits, damages arising from the use provisioning of services hereunder.

## 24. DISPUTE RESOLUTION.

### 24.1 Alternative to Litigation.

Except as provided under Section 252 of the Act with respect to the approval of this Agreement by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement informally prior to any litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this informal dispute resolution process, the Parties agree to use the following informal alternative dispute resolution procedures with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

### 24.2 Informal Dispute Resolution.

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

### 24.3 Formal Dispute Resolution.

If the informal dispute resolutions negotiations do not resolve the dispute within ninety (90) Business Days of the initial written request, then either party may proceed with any remedy available to it pursuant to this Agreement, law, equity or agency mechanisms.

### 24.4 Continuous Service.

The Parties shall continue providing services to each other during the pendency of any informal dispute resolution procedure, and the parties shall continue to perform their

obligations (including making payments in accordance with Section (6) and (7) in accordance with this Agreement.

25. CONFIDENTIAL INFORMATION.

25.1 Identification.

Either Party may disclose to the other proprietary or confidential customer, technical, or business information in written, graphic, oral or other tangible or intangible forms ("Confidential Information"). In order for information to be considered Confidential Information under this Agreement, it must be marked "Confidential" or "Proprietary," or bear a marking of similar import. Orally or visually disclosed information shall be deemed Confidential Information only if contemporaneously identified as such. The following information shall be deemed Confidential Information, whether or not marked as such: orders for services, usage information in any form, and Customer Proprietary Network Information ("CPNI") as that term is defined by the Act and the rules and regulations of the FCC ("Confidential and/or Proprietary Information")

25.2 Handling.

In order to protect such Confidential Information from improper disclosure, each Party shall be fully responsible for any unauthorized use and disclosure of, and access to, the other Party's Confidential Information and each Party agrees:

- (a) That all Confidential Information shall be and shall remain the exclusive property of the Party from whom or from whose representative(s), the Confidential Information is obtained ("Source");
- (b) To limit access to such Confidential Information to authorized employees who have a need to know the Confidential Information for performance of this Agreement;
- (c) To employ administrative, physical, and technical safeguards that prevent such unauthorized access, disclosure, and use ("Safeguards"). Without limiting the foregoing, each Party shall at a minimum employ best industry practice to Safeguard the other Party's Proprietary Information, whether "at rest" or in transport;;
- (d) Not to publish or disclose such Confidential Information to others or authorize anyone else to publish or disclose such Confidential Information to others without the prior written approval of the Source;
- (e) To return promptly any copies of such Confidential Information to the Source within sixty (60) days or at its request; and

- (f) To use such Confidential Information only for purposes of fulfilling work or services performed hereunder and for other purposes only upon such terms as may be agreed upon between the Parties in writing.

### 25.3 Exceptions.

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

### 25.4 Survival.

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

## 26. AUDITING PROCEDURES

26.1 Upon sixty (60) days written notice, each Party must provide the other Party the ability and opportunity to conduct an annual audit to ensure the proper billing of traffic between the parties. The audit shall be accomplished during normal business hours. Audit requests shall not be submitted more frequently than one (1) time per calendar year.

26.2 Each Party may request copies of the billing records thereof provided that the requested records do not exceed 6 months in age from the date the monthly bill containing said record information was issued.

## 27. NOTICES.

Any notice to a Party required or permitted under this Agreement shall be in writing and shall be deemed to have been received on the date of service if served personally or on the date stated on the receipt if delivered by certified or registered mail or by a courier service that obtains a written receipt. Any notice shall be delivered using one of the alternatives mentioned in this section and shall be directed to the applicable address

indicated below or such address as the Party to be notified has designated by giving notice in compliance with this section:

If to UPPER PENINSULA:

Calvin Matthews  
Vice President and General Manager  
UPPER PENINSULA TELEPHONE COMPANY  
397 U. S. 41 N  
P.O. Box 86  
UPPER PENINSULA, MI 49812-0086  
Telephone# 906-639-2111 Facsimile# 906-639-9935

If to SPRINT:

Bob Edgerly  
Sr. Contract Negotiator  
SPRINT  
2001 Edmund Halley Drive  
Reston, VA 20191  
Telephone#: 703-592-2678 Facsimile#: 703-592-2776

28. REGULATORY AGENCY CONTROL.

This Agreement shall at all times be subject to changes, modifications, orders, and rulings by the FCC and/or the Commission to the extent the substance of this Agreement is or becomes subject to the jurisdiction of such agency.

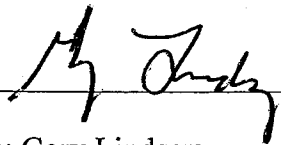
29. SEVERABILITY.

If any provision of this Agreement is held by a court or regulatory agency of competent jurisdiction to be unenforceable, the rest of the Agreement shall remain in full force and effect and shall not be affected unless removal of that provision results in a material change to this Agreement. If a material change as described in this paragraph occurs as a result of action by a court or regulatory agency, the Parties shall negotiate in good faith for replacement language. If replacement language cannot be agreed upon within a reasonable period, either Party may commence the dispute resolution pursuant to Section 24 of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date set forth below.

SPRINT SPECTRUM LP  
NEXTEL WEST CORP.

UPPER PENINSULA TELEPHONE  
COMPANY

By: 

Name: Gary Lindsey

Title: Director, Network Access .

Date: 6/1/06

By: 

Name: Calvin Matthews

Title: Vice President and General Manager

Date: April 26, 2006

## Attachment A

### 1. TRAFFIC FACTOR

Land-to-Mobile	30
Mobile-to-Land	70

### 2. LOCAL NETWORK USAGE

#### Reciprocal Compensation

Each party agrees to compensate the other for terminating local service area calls originated on its network and terminated on the other Party's network. The FCC has established the MTA as the CMRS carrier local calling area, within which traffic must be treated as local for purposes of interconnection and reciprocal compensation per 47 U.S.C. 51.701(b)(2).

End Office Local Call Transport and Termination	\$ .039916
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The above rates for traffic subject to Reciprocal Compensation shall be used until UPPER PENINSULA has filed a new forward looking Total Service Long Run Incremental Cost ("TSLRIC") study with the Commission and the Commission has approved that cost study. This agreement will be amended as of the date of the Commission order approving the new cost study, the amendment reflecting the rates resulting from the new TSLRIC study. The amended rates will apply on a going-forward basis only.

### 3. MANNER OF INTERCONNECTING

To be determined by SPRINT and UPPER PENINSULA.