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**TRAFFIC EXCHANGE AGREEMENT**  
**BETWEEN**  
**CAMBRIDGE TELEPHONE COMPANY**  
**AND**  
**VERIZON WIRELESS**

TABLE OF CONTENTS

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I.	Article I.....	3
	1. Introduction.....	3
	2. Recitals.....	3
II.	Article II.....	3
	1. Definitions.....	3
	2. Interpretation and Construction .....	8
	3. Scope.....	8
	4. Service Agreement.....	8
	5. Compensation .....	9
	6. Notice of Changes.....	12
	7. General Responsibilities of the Parties .....	13
	8. Term and Termination .....	14
	9. Cancellation Charges .....	15
	10. Non-Severability.....	15
	11. Indemnification.....	16
	12. Limitation of Liability.....	17
	13. Disclaimer .....	17
	14. Regulatory Approval.....	17
	15. Change in Law .....	18
	16. Most Favored Nation Provision .....	18
	17. Dispute Resolution.....	18
	18. Miscellaneous .....	19

**I. Article I**

**1. INTRODUCTION**

This traffic exchange and compensation agreement (“Agreement”) is effective as of the 12th day of February 2008 (the “Effective Date”), by and between Cambridge Telephone Company, Inc. (“Cambridge”) with offices at 130 N. Superior, Cambridge, Idaho 83610 and the Verizon Wireless entities listed on the signature page of this Agreement individually and collectively doing business as Verizon Wireless (collectively “VZW”) each with an office and principal place of business at One Verizon Way, Basking Ridge, NJ 07920.

**2. RECITALS**

WHEREAS, Cambridge is an incumbent Local Exchange Carrier in the State of Idaho;

WHEREAS, VZW is a Commercial Mobile Radio Service provider of two-way mobile communications services operating within the State of Idaho;

WHEREAS, The Parties acknowledge that Cambridge is entitled to maintain that it is a rural telephone company (as defined in 47 U.S.C. 153) as provided by 47 U.S.C. 251(f). By entering into this Agreement, Cambridge is not waiving its right to maintain that it is a rural telephone company and its right to maintain that it is exempt from § 251(c) under 47 U.S.C. 251(f) of the Act;

WHEREAS, Cambridge and VZW exchange calls between their networks and wish to establish traffic exchange and compensation arrangements for exchanging traffic as specified below;

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, Cambridge and VZW hereby agree as follows:

**II. Article II**

**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 “As Defined in the Act”, means as specifically defined by the Act, as may be interpreted from time to time by the FCC, the Commission, Idaho state courts, or federal courts.
- 1.3 “As Described in the Act” means as described in or required by the Act, as may be interpreted from time to time by the FCC, the Commission, Idaho state courts, or federal courts.
- 1.4 “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 ten (10%) percent.
- 1.5 “Central Office Switch” means a 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 host or end offices 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. For purposes of this Agreement, a mobile switching office is the equivalent of a Tandem Office Switch.
- 1.6 “Commercial Mobile Radio Services” or “CMRS” means a radio communication service between mobile stations or receivers and land stations, or by mobile stations communicating among themselves that is

provided for profit and that makes interconnected service available to the public or to such classes of eligible users as to be effectively available to a substantial portion of the public. 47 C.F.R. § 20.

- 1.7 "Commission" means the Idaho Public Utilities Commission.
- 1.8 "Extended Area Service" or "EAS" is as defined and specified in Cambridge's then current General Subscriber Services Tariff.
- 1.9 "Effective Date" means the date first above written.
- 1.10 "FCC" means the Federal Communications Commission.
- 1.11 "Interconnection" for purposes of this Agreement is the linking of Cambridge and VZW networks for the exchange of telecommunications traffic described in this Agreement.
- 1.12 "Interexchange Carrier" or "IXC" means a carrier, other than a CMRS carrier, that provides or carries, directly or indirectly, InterLATA Service or IntraLATA Toll Traffic.
- 1.13 "InterLATA Service" means telecommunications between a point located in a local access and transport area and a point located outside such area.
- 1.14 "IntraLATA Toll Traffic," means those station calls that originate and terminate within the same local access and transport area and that are carried outside Cambridge's Local Service Area.
- 1.15 "Local Access and Transport Area" or "LATA" means a contiguous geographic area:
  - (a) Established before February 8, 1996, by a Bell operating company such that no exchange area includes points within more than 1 metropolitan statistical area, consolidated metropolitan statistical area, or State, except as expressly permitted under the AT&T Consent Decree; or
  - (b) Established or modified by a Bell operating company after February 8, 1996, and approved by the FCC.
- 1.16 "Local Service Area" means, for VZW, Major Trading Area Number 36 (Salt Lake City) and for Cambridge, its local calling area contained in Cambridge's then current General Subscriber Services Tariff.
- 1.17 "Local Traffic" is defined for all purposes under this Agreement as traffic that (a) originates on one Party's network, (b) may transit a third-party carrier's network in lieu of a direct connection between the Parties, and (c) terminates to the other Party's network within the same Major Trading

Area (MTA) provided that the customer or roamer of VZW is a two-way CMRS customer and receives mobile service on a wireless, mobile basis as described in 47 U.S.C. §153(27).

For purposes of determining originating and terminating points, the originating or terminating point for each Party shall be:

(A) Cambridge: the End Office serving the calling or called party,

(B) VZW: the cell site location which services the calling or called party at the beginning of the call.

- 1.18 “Local Exchange Carrier” or “LEC” means any person that is engaged in the provision of telephone exchange service or exchange access. Such term does not include a person insofar as such person is engaged in the provision of the commercial mobile service under § 332(c) of the Act, except to the extent that the Federal Communications Commission finds that such service should be included in the definition of such term. 47 U.S.C. § 153(26).
- 1.19 “Major Trading Area” or “MTA” mean the Major Trading Area designated by the FCC which is the service area based on the Rand McNally 1992 Commercial Atlas & Marketing Guide, 123<sup>rd</sup> edition, at pages 38-39, as further specified or modified by 47 C.F.R. § 24.202(a) or other applicable law.
- 1.20 “Mobile Station” means a radio-communication station capable of being moved and which ordinarily does move. 47 U.S.C. § 153(28).
- 1.21 “Non-Local Traffic” means all traffic that is not Local Traffic as defined in § 1.17 hereof and will not be subject to Reciprocal Compensation
- 1.22 “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).
- 1.23 “NXX” means the three-digit code, which appears as the first three digits of seven-digit telephone numbers within a valid NPA or area code.
- 1.24 “Party” means either Cambridge or VZW, and “Parties” means Cambridge and VZW.
- 1.25 “Point of Interconnection” or “POI” means the mutually agreed upon point between the Parties’ respective networks where an originating Party’s traffic is deemed to be handed off to the terminating Party’s network.

- 1.26 “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.
- 1.27 “Reciprocal Compensation” means an arrangement between two carriers in which each receives the same compensation rate from the other carrier for the transport and termination on each carrier’s network of Local Traffic, as defined in § 1.17 above, that originates on the network facilities of the other carrier. Compensation, regardless of the Party that receives it, is symmetrical.
- 1.28 “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. 47 U.S.C. § 153(43).
- 1.29 “Telecommunications Act” means the Communications Act of 1934, as amended.
- 1.30 “Telecommunications Carrier” means any provider of telecommunications services, except that such term does not include aggregators of telecommunications services (as defined in 47 U.S.C. § 226(a)(2)). A Telecommunications Carrier shall be treated as a common carrier under this chapter only to the extent that it is engaged in providing telecommunications services, except that the Federal Communications Commission shall determine whether the provision of fixed and mobile satellite service shall be treated as common carriage. 47 U.S.C. § 153(44).
- 1.31 “Telecommunications Services” means the offering of Telecommunications for a fee directly to the public or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.
- 1.32 “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 or mobile handset.
- 1.33 “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.
- 1.34 “Transport” means the transmission and any necessary tandem switching of Local Traffic subject to § 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.

- 1.35 "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. INTERPRETATION AND CONSTRUCTION

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 and the terms are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning of this Agreement. Unless the context shall otherwise require, any reference to any agreement, other instrument or third party offering, guide or practice, statute, regulation, rule or tariff is for convenience of reference only and is not intended to be a part of or to affect the meaning of a 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).

## 3. SCOPE

- 3.1 This Agreement is intended, *inter alia*, to describe and enable specific traffic exchange 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 the CMRS network of VZW and the Incumbent Local Exchange Carrier (ILEC) network of Cambridge for purposes of exchanging Local Traffic, provided that the service provided by VZW to its customer is a two-way mobile service as defined in 47 U.S.C. § 153(27).
- 3.3 This Agreement relates to the exchange of traffic between Cambridge and VZW. VZW represents that it is a CMRS provider of telecommunications services to subscribers in MTA No. 36 (Salt Lake City). Additions or changes to VZW's NPA/NXXs will be as listed in Telcordia's Local Exchange Routing Guide ("LERG") under Operating Company Numbers ("OCNs") 6565 and 6571 in Idaho.
- 3.4 Cambridge's NPA/NXX(s) are listed in the LERG under OCN 2215.
- 3.5 Any amendment, modification, or supplement to this Agreement must be in writing and signed by an authorized representative of each Party.

## 4. SERVICE AGREEMENT

- 4.1 Description of Arrangements. This Agreement provides for the following interconnection and arrangements between the networks of Cambridge and VZW. Additional arrangements that may be agreed to in the future will be



delineated in Attachment A to this Agreement. An NPA/NXX assigned to VZW shall be treated as Local Service Area traffic and included in any EAS calling scope, or similar program, to the same extent as any other incumbent LEC's NPA/NXX in the same rate center provided that VZW assigns numbers from such NPA/NXX to customers within the Local Service Area of Cambridge and VZW has network facilities to serve such customers.

- 4.2 Indirect Interconnection: The Parties agree to interconnect their networks indirectly *via* a third party ("Third Party Transit Provider") in order to exchange Local Traffic, and that the originating Party is responsible for any transit fees imposed by the Third Party Transit Provider. This arrangement of indirect interconnection will be subject to renegotiation if by change of law or for any other reason the Third Party Transit Provider no longer offers the transiting service.
- 4.3 Direct Interconnection: Where the total Local Traffic exchanged between VZW and Cambridge's specific Tandem Office Switch or specific End Office Switch exceeds 500,000 mobile-to-land minutes of use per month for three consecutive months, VZW and Cambridge shall work cooperatively to implement direct interconnection arrangements and amend this Agreement as required. VZW may also request an amendment to establish a direct interconnection regardless of the volume of traffic exchanged. For direct interconnection, the POI shall be any technically feasible point on Cambridge's network, including points on Cambridge's network, if any, that extend beyond Cambridge's service area boundary.

Where direct interconnection has been established, each Party will perform local number portability ("LNP") database queries on its originated traffic prior to routing any of its originated traffic over the direct interconnection facilities, and will only route traffic over the direct interconnection facilities to the extent the local routing number ("LRN") returned from such queries belongs to the other Party.

## 5. COMPENSATION

### 5.1 Traffic Subject to Reciprocal Compensation.

Reciprocal Compensation is applicable for Transport and Termination of Local Traffic as defined in § 1.17 and is related to the exchange of traffic described in § 4 and in Attachment A, as applicable. For the purposes of billing compensation for Local 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 Local Traffic shall be based on the aggregated measured usage less traffic recorded as local that is deemed Non-Local Traffic based on the default factor provided in § 5.3(f).

The rate for Reciprocal Compensation shall be **\$0.02** per minute.

The Parties agree to bill each other for Local Traffic as described in this Agreement unless the Local 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 Local Traffic exchanged, both directly and indirectly, falls between 55% / 45% in either the wireless-to-landline or landline-to-wireless direction. When the actual usage data for three (3) consecutive months indicates that the Local 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, which shall not be withheld unreasonably, there will be no billing for Reciprocal Compensation on a going forward basis unless otherwise agreed to by both Parties, in writing. The Parties' agreement to eliminate billing for Reciprocal Compensation carries with it the precondition regarding the Traffic Balance Threshold discussed above. As such, the two points have been negotiated as one interrelated term containing specific rates and conditions, which are non-separable for purposes of § 16 hereof.

## 5.2 Traffic Subject to Switched Access Compensation.

Access charges apply to all Non-Local Traffic originated on VZW's network and delivered to Cambridge for termination to its customers as described in § 4 and Attachment A, as applicable. VZW shall compensate Cambridge at Cambridge's applicable access tariff rates for all VZW-originated Non-Local Traffic only to the extent that such VZW-originated Non-Local Traffic is not handed off to an Interexchange Carrier for delivery to Cambridge.

## 5.3 Calculation of Payments and Billing.

- (a) VZW will compensate Cambridge for Local and Non-Local Traffic delivered to Cambridge for termination to its customers, as prescribed and at the rates provided in §§ 5.1 and 5.2. Cambridge will compensate VZW for Local Traffic originated by Cambridge customers on Cambridge's network and delivered to VZW, for termination to its customers, as prescribed in § 4 and at the rate provided in § 5.1.
- (b) VZW shall prepare a monthly billing statement to Cambridge reflecting the calculation of Reciprocal Compensation due VZW. Cambridge shall prepare a monthly billing statement to VZW,

which will separately reflect the calculation of Reciprocal Compensation, Switched Access Compensation, and total compensation due Cambridge. Billing shall be based on actual measured usage, when available. To the extent VZW does not have the capability to bill based on actual measured usage, Cambridge may provide the actual measured usage for use by VZW. If actual measured usage is not available, the Parties agree that usage from the third-party transit provider may be used for billing.

- (c) Alternatively, if VZW does not measure or cannot obtain the landline-to-wireless usage data from Cambridge or from the Third-Party Transit Provider, then VZW may bill using a factor that is based on each Party's proportion of originating Local Traffic to total Local Traffic exchanged between the Parties. This estimated percentage is referred to as the Traffic Factor and is listed below. The Parties agree to review the Traffic Factor on a periodic basis and, if warranted by the actual usage, revise the Traffic Factor appropriately.

- |    |                      |     |
|----|----------------------|-----|
| a) | Landline-to-Wireless | 25% |
| b) | Wireless-to-Landline | 75% |

Where dedicated interconnection facilities are used for two-way traffic exchanged between the Parties, the non-recurring and monthly recurring charges shall be reduced by the Traffic Factors identified above. Any revision to the Traffic Factors will also apply to this Shared Facility Factor.

- (d) Cambridge will prepare its bill in accordance with its existing CABS / SECABS billing system. VZW will prepare its bill in accordance with its existing process for billing Reciprocal Compensation using the following formula:

Billing for the compensation due to VZW will be as follows: using the Cambridge mobile-to-land MOUs (Minutes of Use) to calculate the land-to-mobile MOUs, divide the mobile-to-land MOUs by 75% to arrive at 100% of the total traffic. The mobile-to-land minutes are then subtracted from the 100% value to arrive at the 25% land-to-mobile minutes. (Ex.: 100,000 MOUs are determined to be mobile-to-land. 100,000 is divided by 75% to arrive at 133,333 MOUs total traffic exchanged. 100,000 is then subtracted from 133,333 to arrive at the land-to-mobile MOUs of 33,333.)

Due to the volume of minutes associated with the usage exchanged, the Parties have agreed to a net-billing arrangement where Cambridge will reflect in the monthly billing a deduction of what VZW owes to Cambridge. From the example above: Cambridge would bill VZW for the 100,000 mobile-to-land MOUs. In the same invoice, Cambridge would reflect a credit for the 33,333 land-to-mobile MOUs and bill for the net minutes of 66,667. VZW will provide sixty (60) days notice to Cambridge should it be determined that this billing arrangement is no longer required.

VZW agrees to provide sixty (60) days notice to Cambridge if VZW chooses to revise this net-billing arrangement.

- (e) The Parties will make an effort to conform to current and future OBF (CABS BOS) standards, insofar as is reasonable.
- (f) Recognizing that Cambridge has no way of measuring Non-Local Traffic, and in the event that VZW does not track the usage information required to identify the Non-Local Traffic originated or terminated by Cambridge, both Parties agree to use a default factor of zero percent (0%) as an estimate of Non-Local Traffic. The actual recorded usage shall be the basis for billing, when available and verifiable.
- (g) Each Party may request to inspect, during normal business hours, the records which are the basis for any monthly bill issued by the other Party and to request copies thereof provided that the requested records do not exceed twelve (12) months in age from the date the monthly bill containing said record information was issued.
- (h) No Party shall bill the other Party for traffic that is older than twelve (12) months or that predates this Agreement.

## 6. 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.

**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 § 5, 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 service related to or use any of the services provided in this Agreement in any manner that prevents other persons from using their service or destroys the normal quality of service to other carriers or to either Party's customers, and subject to 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 Each Party agrees to adhere to the blocking requirements for interconnection (P.01) as provided in Telcordia documentation GR145 – Core Compatibility for Interconnection of a Wireless Service Provider and a Local Exchange Company Network.
- 7.6 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 VZW to the Cambridge SS7 systems is permitted. Such connections will meet generally accepted industry technical standards. Each Party is responsible for its own SS7 signaling and therefore, neither Party will bill the other Party for SS7 signaling charges.
- 7.7. To ensure proper implementation of this Agreement, the Party delivering traffic to the Indirect Interconnection Point will provide Jurisdiction ("JIP"), the Automatic Number Identification ("ANI") or Calling Party Number ("CPN") (or similar industry standard traffic elements) for all traffic (the "Traffic Identifiers") in order that the terminating Party can properly identify the telephone number associated with the End User placing the call. If JIP, ANI, or CPN is not passed on at least fifty percent

(50%) of the traffic, measured on a monthly basis, then the terminating carrier will notify the originating carrier of the deficiency.

- 7.8 Each Party shall be responsible for its own independent connections to the 911/E911 network.
- 7.9 All originating traffic shall contain basic call information within the Initial Address Message (IAM) such as the calling number and will meet generally accepted industry technical standards. Altering of data parameters within the IAM shall not be permitted.

## **8. TERM AND TERMINATION**

- 8.1 Subject to the provisions of § 14, the initial term of this Agreement shall be for a two-year term ("Term"), which shall commence on the Effective Date. This Agreement shall automatically renew for successive month-to-month periods, 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 renegotiate a new agreement. In the event of such renegotiations, this Agreement shall remain in effect until the earlier of: (1) when a new agreement becomes effective, or (2) one (1) year from receipt of the termination notification of the current Agreement.
- 8.2 The Parties agree that disputed and undisputed amounts due under this Agreement shall be handled as follows:
- (a) If any portion of any 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 when due 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 is resolved such that payment of the disputed amount is required, whether for the original amount or for the settlement amount, the Non-Paying Party shall pay the full disputed or settlement amounts with interest at the lesser of (i) one and one-half percent (1½%) per month or (ii) the highest rate of interest that may be charged under Idaho applicable law. In addition, the Billing Party may initiate a complaint proceeding with the appropriate regulatory or judicial entity, if unpaid undisputed amounts become more than ninety (90) days past due, provided the Billing Party gives an additional thirty (30) days notice and opportunity to cure the default.

- (b) 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 (1½%) per month or (ii) the highest rate of interest that may be charged under Idaho applicable law.
- (c) Undisputed amounts shall be paid within thirty (30) days of receipt of invoice from the Billing Party.

8.3 Upon termination or expiration of this Agreement in accordance with this Section:

- (a) Each Party shall comply immediately with its obligations as set forth above;
- (b) Each Party shall promptly pay all amounts (including any late payment charges) owed under this Agreement;
- (c) Each Party's indemnification obligations shall survive termination or expiration of this Agreement.

8.4 All invoices under this Agreement shall be sent to:

<b>Verizon Wireless</b>	<b>Cambridge Telephone Company, Inc.</b>
Damian Talamantez Verizon Wireless 15505 Sand Canyon Ave., Bldg D-1 Irvine, CA 92618 Phone: 949-286-7442	130 N. Superior Cambridge, Idaho 83610 Attn: Jerry Piper, Assistant Manager Fax: 208-257-3992 Phone: 208-257-3314

8.5 Either Party may terminate this Agreement in whole or in part in the event of a default of the other Party, provided, however, that the non-defaulting Party notifies the defaulting Party in writing of the alleged default and the defaulting Party does not implement mutually acceptable steps to remedy such alleged default within thirty (30) days after receipt of written notice thereof.

**9. CANCELLATION CHARGES**

Except as provided herein, no cancellation charges shall apply.

**10. NON-SEVERABILITY**

The services, arrangements, terms and conditions of this Agreement were mutually negotiated by the Parties as a total arrangement and are intended to be non-severable.

## 11. INDEMNIFICATION

11.1 Each Party (the "Indemnifying Party") shall indemnify and hold harmless the other Party ("Indemnified Party") from and against loss, cost, claim liability, damage, and expense (including reasonable attorney's fees) to customers and other third parties for:

- (a) Damage to tangible personal property or for personal injury proximately caused by the negligence or willful misconduct of the Indemnifying Party, its employees, agents or contractors;
- (b) Claims for libel, slander, or infringement of copyright arising from the material transmitted over the Indemnified Party's facilities arising from the Indemnifying Party's own communications or the communications of such Indemnifying Party's customers; and
- (c) Claims for infringement of patents arising from combining the Indemnified Party's facilities or services with, or the using of the Indemnified Party's services or facilities in connection with, facilities of the Indemnifying Party.

Notwithstanding this indemnification provision or any other provision in this Agreement, neither Party, nor its parent, partners, subsidiaries, affiliates, agents, servants, or employees, shall be liable to the other for Consequential Damages (as defined in § 12.3).

11.2 The Indemnified Party will notify the Indemnifying Party promptly in writing of any claims, lawsuits, or demands by customers or other third parties for which the Indemnified Party alleges that the Indemnifying Party is responsible under this Section, and, if requested by the Indemnifying Party, will tender the defense of such claim, lawsuit or demand.

- (a) In the event the Indemnifying Party does not promptly assume or diligently pursue the defense of the tendered action, then the Indemnified Party may proceed to defend or settle said action and the Indemnifying Party shall hold harmless the Indemnified Party from any loss, cost liability, damage and expense.
- (b) In the event the Party otherwise entitled to indemnification from the other elects to decline such indemnification, then the Party making such an election may, at its own expense, assume defense and settlement of the claim, lawsuit or demand.
- (c) The Parties will cooperate in every reasonable manner with the defense or settlement of any claim, demand, or lawsuit.



