

DIRECTORY ASSISTANCE SERVICES AGREEMENT

This Agreement is made and entered into by and between United Telephone Company of the Northwest ("Customer"), an Oregon corporation, on the one hand, and Carolina Telephone and Telegraph ("CT&T"), a North Carolina corporation and Embarq Florida, Inc., a Florida corporation on the other, all of which are wholly-owned subsidiaries of Embarq Corporation, a Kansas corporation. CT&T, Embarq Florida, Inc. and Customer are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

RECITALS

1. CT&T and Embarq Florida, Inc. are in the business of, among other things, providing Directory Assistance Services to telecommunications companies, such as Customer.
2. Customer, an interexchange carrier, desires to obtain Regional Directory Assistance and National Directory Assistance services from CT&T and Embarq Florida, Inc. CT&T and Embarq Florida, Inc. are willing to provide these services to Customer, in accordance with the terms and conditions set forth in this Agreement.

The Parties agree as follows:

1. SCOPE OF AGREEMENT

This Agreement sets forth the terms and conditions for the provision of certain Directory Assistance Services ("DA") and National Directory Assistance Services ("NDA") by CT&T and Embarq Florida, Inc. to Customer as described in this Agreement. DA is a telephone number, voice information service which permits Customer's end users to receive listing information within the customer's home-NPA. NDA is a telephone number, voice information service which permits Customer's end users to receive listings information from any NPA in the United States. DA, NDA, and Directory Assistance Services are referred to in this Agreement collectively as "Services."

2. SERVICES AND BRANDING

- 2.1 Services. The services described in this Agreement provide a telephone number and voice information service that CT&T and Embarq Florida, Inc. provide to other telecommunications carriers and their own end users. CT&T and Embarq Florida, Inc. only provide the published and non-listed telephone numbers that are contained in CT&T's and Embarq Florida, Inc.'s Directory Assistance databases or that of their vendors.

2.2 **Branding.** A Branding Feature is available upon request and where technically feasible. The Branding Feature provides the announcement of Customer's name to Customer's end user during the introduction of the call and at the completion of the call.

3. DUTIES, REQUIREMENTS, AND RESPONSIBILITIES OF THE PARTIES

3.1 Customer shall provide and maintain the equipment, facilities, lines and materials necessary to connect its telecommunications facilities to CT&T via Feature Group D trunking.

3.2 CT&T and Embarq Florida, Inc. will provide local DA, National DA, and Operator Services for Customer. CT&T and Embarq Florida, Inc. will provide service to end users in accordance with the terms and conditions contained in the Customer's approved tariff or price list.

4. TERM

This Agreement shall become effective as of the date fully executed by the Parties and shall continue in full force and effect for a period of three (3) years. It shall renew automatically each year after the initial three year term unless terminated by any party pursuant to the terms of this Agreement.

5. CHARGE FOR SERVICES

5.1 In consideration of the services to be performed by CT&T and Embarq Florida, Inc. costs will be allocated to the Customer. Costs incurred by CT&T and Embarq Florida, Inc. related to the provision of the services will be allocated to customer on a pro rata share on the basis of call volumes from a study that will be performed once a year.

6. CUSTOMER'S END USERS

Customer alone and independently establishes all prices it charges its end user customers for Services it provides to them.

7. INDEMNIFICATION

Each Party will defend, indemnify, save and hold harmless the other Party, the other Party's affiliates, and their officers, directors, agents and employees from any and all third-party claims, demands, liabilities, costs or expenses, including reasonable attorneys' fees ("Liabilities"), resulting from the indemnifying Party's (a) breach of any material covenant, representation, or warranty contained in this Agreement, or (b) gross negligence or willful misconduct. Each Party agrees to promptly notify the other Party in writing of any indemnifiable claim and give the other Party the opportunity to defend or negotiate a settlement of any such claim at such other Party's expense and cooperate fully

with the other Party, at that Party's expense, in defending or settling such claim. Each Party reserves the right, at its own expense, to participate in the defense of any matter otherwise subject to indemnification by the other Party.

8. LIMITATION OF LIABILITY AND DISCLAIMER

8.1 Limitation of Liability. CT&T's and Embarq Florida, Inc.'s total liability and Customer's sole and exclusive remedy for any loss, cost, claim, injury, liability or expense, including reasonable attorneys' fees, regardless of legal or equitable theory, in connection with CT&T's or Embarq Florida, Inc.'s provision of Services under this Agreement, shall be limited to a refund to Customer of the amount of the charges billed and paid by Customer to CT&T or Embarq Florida Inc. for the failed or defective Services. Under no circumstances or theory, whether breach of Agreement, product liability, tort, or otherwise, shall CT&T or Embarq Florida, Inc. be liable for loss of revenue, loss of profit, consequential damages, indirect damages or incidental damages, and any claim for direct damages shall be limited as set forth above.

8.2 DISCLAIMER OF WARRANTIES. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, CT&T AND EMBARQ FLORIDA, INC. HEREBY SPECIFICALLY DISCLAIM ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING ANY MATTER SUBJECT TO THIS AGREEMENT, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE.

9. FORCE MAJEURE

Neither Party shall be in default under this Agreement or liable for any nonperformance which is caused by fire, flood, explosion, war, strike, embargo, or any act, order or requirement of a regulatory body, court or legislature, civil or military authority, act of God, or other cause beyond such Party's reasonable control during the period and to the extent that such extraordinary condition delays, impairs or prevents such Party's performance.

10. GOVERNING LAW AND DISPUTE RESOLUTION

10.1 In the event any claim, controversy or dispute, whether sounding in contract, statute, tort, fraud, misrepresentation or other legal theory, between or among the Parties or their officers, directors, shareholders, employees or agents is not resolved by the parties within thirty (30) days

after notification, then each party shall escalate the dispute through the companies' upper management.

- 10.2 Any claim, controversy or dispute, whether sounding in contract, statute, tort, fraud, misrepresentation or other legal theory, between or among the Parties or their officers, directors, shareholders, employees or agents that cannot be resolved under section 10.1 within ninety (90) days, shall be resolved by arbitration. The Federal Arbitration Act, 9 U.S.C. Sects. 1-16, not state law, shall govern the arbitrability of all claims. A single arbitrator engaged in the practice of law shall conduct the arbitration under the then-current rules of the American Arbitration Association. The arbitrator shall be jointly selected by the Parties; and if they are unable to agree, then the arbitrator shall be selected by the manager of the Kansas City, Missouri office of the American Arbitration Association. The arbitrator shall have authority to award compensatory damages only. The arbitrator's award shall be final and binding and may be entered in any court having jurisdiction thereof. The prevailing Party, as determined by the arbitrator, shall be entitled to an award of reasonable attorneys' fees and costs. The laws of the State of Kansas shall govern the construction and interpretation of this Agreement, without reference to the laws relating to conflicts of law, and the arbitration shall occur in Kansas City. It is expressly agreed that either Party may seek injunctive relief or specific performance of the obligations in this Agreement in an appropriate court of law or equity pending an award in arbitration. If any Party files a judicial or administrative action asserting claims subject to arbitration, as prescribed in this Agreement, and another Party successfully stays such action and/or compels arbitration of said claims, the Party filing such action shall pay the other Party's costs and expenses incurred in seeking such stay and/or compelling arbitration, including reasonable attorneys' fees.

11. COMPLIANCE WITH LAWS

Each Party shall comply with all applicable federal, state, and local laws, rules, regulations, court orders, and governmental or regulatory agency orders.

12. EXPENSES

Except as otherwise provided in this Agreement, each of the Parties shall pay its own costs and expenses incurred or to be incurred by it in the negotiation and preparation of this Agreement and in consummating the transactions and carrying out the covenants and obligations contemplated by this Agreement.

13. DEFAULT AND TERMINATION

13.1 Termination for Cause.

- (a) Each Party shall have the right to terminate this Agreement if the other party is in breach of any material obligation under this Agreement, which breach is incapable of cure or has not been cured within (30) days after the breaching party receives written notice of the breach.
- (b) Upon the occurrence of such breach, if the breaching Party does not cure the default as specified above, an “Event of Default” shall be deemed to have occurred and the non-breaching Parties may terminate the Agreement upon one-hundred and twenty (120) written notice to the other Parties.

13.2 Termination without Cause.

- (a) A Party may terminate this Agreement for any reason upon one-hundred and twenty (120) days written notice to the other Parties.

14. CONFIDENTIALITY

- 14.1 Confidential Information. Each Party may disclose to the others, during the term of this Agreement, such technical and business information as the disclosing Party may elect to disclose, so the receiving Party may review and use for the purpose of exercising its rights and performing its obligations under the Agreement under terms that will protect the confidential and proprietary nature of such information. As used in this Agreement, “Confidential Information” shall mean any and all technical or business information, including third party information, furnished or disclosed, in whatever tangible form or medium, by one Party to another including, but not limited to, product/service specifications, prototypes, computer programs, models, drawings, marketing plans, customer information, financial data and personnel statistics, which are clearly and conspicuously marked as confidential or proprietary, or for information which is orally disclosed, the disclosing Party indicates to the other at the time of disclosure the confidential or proprietary nature of such information and confirms the same to the receiving Party in a writing, which describes the information that is to be kept confidential, sent within twenty (20) days after the date of such oral disclosure. All Confidential Information shall remain the property of the disclosing Party and no license or other rights in the Confidential Information is granted by virtue of this Agreement. All Confidential Information is provided “AS IS” and without any warranty, express, implied or otherwise, regarding its accuracy or performance. The obligations imposed by this Agreement shall not apply to any information that: (a) is already in the possession of, is known to, or is independently developed by the receiving Party as evidenced by documentation; or (b) is or becomes publicly available through no fault of the receiving Party; or (c) is obtained by the receiving Party from a third party without breach by such third party of an

obligation of confidence with respect to the Confidential Information disclosed; or (d) is disclosed without restriction by the disclosing Party; or (e) is required to be disclosed pursuant and subject to the Agreement.

- 14.2 **Use and Disclosure Restrictions.** Each Party agrees to request from the others only that Confidential Information which is reasonably necessary to enable each Party to exercise its rights and perform its obligations under the Agreement. In handling another Party's Confidential Information, each Party agrees: (a) to use the Confidential Information solely for the purpose of performing its obligations and exercising its rights under this Agreement; (b) to make only a limited number of copies of such Confidential Information as may be reasonably necessary for such purpose; (c) not make disclosure of any such Confidential Information to anyone except those employees of such Party to whom disclosure is reasonably necessary for such purpose; and (d) to appropriately notify such employees that the disclosure is made in confidence and to require them to keep the same in confidence. The obligations set forth in this Agreement shall be satisfied by each Party through the exercise of at least the same degree of care used to restrict disclosure of its own information of like importance. Nothing in this Agreement shall be construed as granting to a Party any right or license under any copyrights, inventions, or patents now or hereafter owned or controlled by another Party.
- 14.3 **Return or Destruction.** Upon the expiration or termination of the Agreement, or at any time upon the withdrawal, termination or request of a Party, all Confidential Information, together with any and all copies of same as may be authorized in this Agreement and any and all documents, notes or other materials incorporating any of the Confidential Information in whatever form or medium, shall be returned to the disclosing Party or certified destroyed by recipient(s) at the disclosing Party's election. Notwithstanding the expiration or termination of the Agreement or the withdrawal or termination of a Party or the return or destruction of Confidential Information, each Party agrees to treat any and all Confidential Information received from or through any other Party as confidential throughout the term of the Agreement and for a period of two (2) years thereafter; and the requirements of use and confidentiality shall survive after the expiration or termination of the Agreement, and the return or destruction of Confidential Information.
- 14.4 **Non-Disclosure.** Notwithstanding any provision in this Agreement to the contrary, a Party shall not, without the prior written consent of the other Party, disclose to any third party, excluding those identified in paragraph B above, the existence or purpose of this Agreement, the terms or conditions hereof, or the fact that discussions are taking place and that Confidential Information is being shared, except as may be required by law and then only after first notifying the other Party of such required

disclosure. Furthermore, a Party shall have the right to terminate this Agreement if the other Party violates this provision.

15. REPRESENTATIVES AND NOTICES

The Parties hereby appoint the following individuals to act as their authorized representatives for the purposes of the Agreement. Any notice to be given by one Party to any other shall be in writing and shall be deemed given when sent by certified mail, hand delivery, or via a nationally recognized overnight courier service to the representatives and addresses stated below:

Carolina Telephone and Telegraph	United Telephone Company of the Northwest
Steve Parrot	Nancy Judy
12502 Sunrise Valley Dr	902 Wasco Street
Reston, VA	Hood River, OR
20196-3438	97031

Embarq Florida, Inc.
Charles Rehwinkel
315 S Calhoun St Ste 500
Tallahassee, FL
32301-1872

A Party may change its authorized representative at any time by giving written notice to the other Parties as provided in this Agreement.

16. AMENDMENTS

This Agreement may not be amended, modified, or supplemented, nor may any of its obligations be waived by a Party, except by written instrument signed by all Parties.

17. HEADINGS

The subject headings of the sections and subsections of this Agreement are included only for purposes of convenience, and shall not affect the construction or interpretation of any of its provisions.

18. WAIVERS

The failure of a Party to insist upon or enforce strict performance of any other Party of any provision of this Agreement, or to exercise any right under this Agreement, shall not be construed as a waiver or relinquishment of such Party's right to enforce any such provision or right in any other instance.

19. ASSIGNMENT

The rights and obligations of Customer in this Agreement shall not be assigned, transferred, hypothecated, pledged or otherwise disposed of without the prior written consent of CT&T and Embarq Florida, Inc. and any such attempted assignment shall be void.

20. NO THIRD PARTY BENEFICIARIES

This Agreement is not made for the benefit of any person, firm, corporation or association other than the Parties to this Agreement. The Parties do not intend to confer any rights or benefit granted by this Agreement on any person, firm or corporation other than the Parties; nor shall any person, firm or corporation be allowed to claim any rights or benefits.

21. SEVERABILITY

In the event that any provision of the Agreement conflicts with the law under which the Agreement is to be construed, or if any such provision is held invalid by an arbitrator or tribunal with jurisdiction over the Parties to the Agreement, such provision shall be deemed to be restated to reflect as nearly as possible the original intentions of the Parties in accordance with applicable law, and the remainder of the Agreement shall remain in full force and effect.

22. SURVIVAL

The provisions contained in Sections 8, 9, and 16 of this Agreement shall survive any expiration or early termination of the Agreement.

23. BINDING EFFECT AND FACSIMILE SIGNATURES

This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective successors and permitted assigns. Facsimile signatures shall have the same legal effect as original signatures.

24. ENTIRE AGREEMENT

This Agreement, together with any and all Schedules and Exhibits which are attached to this Agreement, sets forth the entire agreement and understanding of the Parties and supersedes any and all prior agreements, written or oral, between the Parties with respect to the subject matter hereof. No Party shall be bound by, and each Party specifically objects to, any term, condition or other provision that is different from or in addition to the provisions of this Agreement and which is proffered by any Party in any correspondence or other document or through any course of conduct, unless the Party to be bound by such term, condition or other provision specifically agrees to it in writing.

Voice | Data | Internet | Wireless | Entertainment



Embarq Corporation
902 Wasco Street
Hood River, OR 97031
EMBARQ.com

SENT BY E-MAIL AND REGULAR MAIL

June 9, 2006

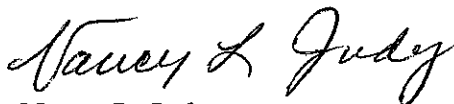
Public Utility Commission of Oregon
Attn: Filing Center
PO Box 2148
Salem OR 97308-2148

Enclosed is an amended "Directory Assistance Services Agreement" between Embarq Corporation on behalf of its local operating companies, and Carolina Telephone and Telegraph and Embarq Florida, Incorporated. This contract amends and supersedes the contract filed September 16, 2004 in Docket UI 236. The new contract reflects the name changes from Sprint to Embarq that became effective May 17, 2006. No other changes have been made to the contract or to the cost support previously submitted.

We have enclosed an original and four copies of the above filing. We respectfully ask that you return a receipted copy to this office.

If additional information is required, please contact me or Barb Young at 541/387-9850.

Sincerely,



Nancy L. Judy

NLJ/sm
Enclosure

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