

- 10.1 Neither Party nor its subcontractors or agents shall use in any advertising or sales promotion, press releases, or other publicity matters any endorsements, direct or indirect quotes, or pictures that imply endorsement by the other Party or any of its employees without such first Party's prior written approval. The Parties will submit to each other for written approval, prior to publication, all publicity matters that mention or display one another's name and/or marks or contain language from which a connection to said name and/or marks may be inferred or implied; the Party to whom a request is directed shall respond promptly. Nothing herein, however, shall be construed as preventing either Party from publicly stating the fact that it has executed this Agreement with the other Party.
- 10.2 Nothing in this Agreement shall grant, suggest, or imply any authority for one Party to use the name, trademarks, service marks, logos, proprietary trade dress or trade names of the other Party in any advertising, press releases, publicity matters, marketing and/or promotional materials or for any other commercial purpose without prior written approval from such other Party.

11. NO LICENSE

- 11.1 Except at otherwise expressly provided in this Agreement, no license under patents, copyrights or any other Intellectual Property right (other than the limited license to use consistent with the terms, conditions and restrictions of this Agreement) is granted by either Party or shall be implied or arise by estoppel with respect to any transactions contemplated under this Agreement.

12. CONFIDENTIALITY

- 12.1 Both Parties agree to treat Proprietary Information (as such term is As Described in the Act) received from the other in accordance with the provisions of Section 222 of the Act; provided, that notwithstanding any of the foregoing, either Party shall be entitled to disclose proprietary information on a confidential basis to regulatory agencies upon request for information or as otherwise required to enforce the terms and conditions of this Agreement and the disclosing Party need not provide prior written notice of such disclosure to other Party if such disclosing Party has obtained an appropriate order for protective relief or other reliable assurance that confidential treatment shall be accorded to such proprietary information. As used herein, a "Disclosing Party" is a Party that furnishes, discloses or otherwise makes available its proprietary information under this Agreement and a "Receiving Party" is the Party that receives such proprietary information.
- 12.2 Unless otherwise agreed, the obligations of confidentiality and non-use do not apply to such proprietary information that:
- 12.2.1 Was at the time of receipt, already known to the Receiving Party, free of any obligation to keep confidential and evidenced by written records prepared prior to delivery by the Disclosing Party; or
 - 12.2.2 Is, or becomes publicly known through no wrongful act of the Receiving Party; or
 - 12.2.3 Is rightfully received from a Third Party having no direct or indirect secrecy or confidentiality obligation to the Disclosing Party with respect to such information; provided that such Receiving Party has exercised commercially reasonable efforts to determine whether such Third Party has any such obligation; or
 - 12.2.4 Is independently developed by an agent, employee representative or Affiliate of the Receiving Party and such Party is not involved in any manner with the provision of services pursuant to this Agreement and does not have any direct or indirect access to the Proprietary Information; or
 - 12.2.5 Is disclosed to a Third Party by the Disclosing Party without similar restrictions on such Third Party's rights; or
 - 12.2.6 Is approved for release by written authorization of the Disclosing Party, but only to the extent of the authorization granted; or

12.2.7 Is required to be made public or disclosed by the Receiving Party pursuant to Applicable Law or regulation or court order or lawful process.

12.3 The Parties agree that an impending or existing violation of any provision of this Section 12 would cause the Disclosing Party irreparable injury for which it would have no adequate remedy at law, and agree that Disclosing Party shall be entitled to obtain immediate injunctive relief prohibiting such violation, in addition to any other rights and remedies available to it at law or in equity, including both specific performance and monetary damages. In the event of any breach of this Section 12 for which legal or equitable relief is sought, all reasonable attorneys' fees and other reasonable costs associated therewith shall be recoverable by the prevailing Party.

13. CHANGE OF INTERVENING LAW

13.1 The Parties acknowledge that the respective rights and obligations of each Party as set forth in this Agreement are based on the following, as they were on December 15, 2003: the Act, the Illinois Public Utilities Act (including but not limited to 220 ILCS Section 13-801) (the "PUA"), the rules, regulations and orders promulgated under the Act and the PUA by the FCC and the IL-CC, and judicial decisions by courts of competent jurisdiction interpreting and applying said statutes, rules, regulations and orders. In the event of any legally binding judicial decision by a court of competent jurisdiction, amendment of the Act or the PUA, or legislative, federal or state regulatory action, rule, regulation or other legal action that revises, reverses, modifies or clarifies the meaning of the Act, the PUA or any of said rules, regulations, orders, or judicial decisions that were the basis of the negotiations for this Agreement, or which otherwise affect any of the provisions set forth in this Agreement (individually and collectively a "Change of Law"), upon the written request of either Party ("Written Notice") the Parties shall renegotiate the affected provisions in this Agreement in good faith and amend this Agreement to reflect such Change of Law. The term "legally binding" means that such judicial decision, amendment of the Act or the PUA, or legislative, federal or state regulatory action, rule, regulation or other legal action has not been stayed, no request for a stay is pending, and if any deadline for requesting a stay is designated by statute or regulation, it has passed.

13.2 The Parties shall have sixty (60) days from the date the receiving Party receives a Written Notice to attempt to negotiate and arrive at an agreement on the appropriate conforming modifications to the Agreement, provided, however, the Parties will, to the extent operationally feasible, implement the provisions subject to a Written Notice as of the date such affected provisions become effective consistent with such Change of Law or, if not feasible given the nature of the Change of Law, as soon as possible after such effective date. Without limiting the foregoing, the Parties agree that any Change of Law that modifies the rates available hereunder will retroactively apply to this Agreement as of the effective date of the applicable orders and SBC-4STATE will issue any adjustments, as needed, to reflect such effective date. If the Parties are unable to agree upon the required conforming amendments to this Agreement within sixty (60) days from the Written Notice, any disputes between the Parties concerning the interpretation of the actions required or the provisions affected by such order shall be resolved pursuant to the dispute resolution process provided for in this Agreement.

13.3 The Parties further acknowledge and agree that by executing this Agreement neither Party waives any of its rights to participate in any proceedings regarding the proper interpretation and/or application of the Act, applicable rules and regulations or the PUA nor does it waive any rights, remedies or arguments with respect to any provisions of this Agreement or any rules, regulations, orders or laws upon which it is based, including its right to seek legal review or a stay pending appeal.

13.1 This Agreement is the result of negotiations between the Parties and may incorporate certain provisions that resulted from arbitration by the appropriate state Commission(s). In entering into this Agreement and any Amendments to such Agreement and carrying out the provisions herein, neither Party waives, but instead expressly reserves, all of its rights, remedies and arguments with respect to any orders, decisions, legislation or proceedings and any remands thereof and any other federal or state regulatory, legislative or judicial action(s), including, without limitation, its intervening law rights relating to the following actions, which the Parties have not yet fully incorporated into this

Agreement or which may be the subject of further government review: the United States Supreme Court's opinion in *Verizon v. FCC, et al.*, 535 U.S. 467 (2002); the D.C. Circuit's decision in *United States Telecom Association, et. al v. FCC*, 290 F.3d 415 (D.C. Cir. 2002); the FCC's Triennial Review Order, released on August 21, 2003, In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, CC Docket No. 01-338, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket No. 98-147 (FCC 03-36) and the FCC's Biennial Review Proceeding which the FCC announced, in its Triennial Review Order, is scheduled to commence in 2004; the FCC's Supplemental Order Clarification (FCC 00-183) (rel. June 2, 2000), in CC Docket 96-98; the FCC's Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, 16 FCC Rcd 9151 (2001), (rel. April 27, 2001), which was remanded in *WorldCom, Inc. v. FCC*, 288 F.3d 429 (D.C. Cir. 2002), and as to the FCC's Notice of Proposed Rulemaking on the topic of Intercarrier Compensation generally, issued In the Matter of Developing a Unified Intercarrier Compensation Regime, in CC Docket 01-92 (Order No. 01-132), on April 27, 2001; and the Public Utilities Act of Illinois, which was amended on May 9, 2003 to add Sections 13-408 and 13-409, 220 ILCS 5/13-408 and 13-409, and enacted into law (collectively "Government Actions"). Notwithstanding anything to the contrary in this Agreement (including any amendments to this Agreement), **SBC-13STATE** shall have no obligation to provide UNEs, combinations of UNEs, combinations of UNE(s) and CLEC's own elements or UNEs in commingled arrangements beyond those required by the Act, including the lawful and effective FCC rules and associated FCC and judicial orders. The preceding includes without limitation that **SBC-13STATE** shall not be obligated to provide combinations (whether considered new or existing) or commingled arrangements involving **SBC-13STATE** network elements that do not constitute required UNEs under 47 U.S.C. § 251(c)(3) (including those network elements no longer required to be so unbundled), or where UNEs are not requested for permissible purposes. Except to the extent that **SBC-13STATE** has adopted the FCC ISP terminating compensation plan ("FCC Plan") in an **SBC-13STATE** state in which this Agreement is effective, and the Parties have incorporated rates, terms and conditions associated with the FCC Plan into this Agreement, these rights also include but are not limited to **SBC-13STATE**'s right to exercise its option at any time to adopt on a date specified by **SBC-13STATE** the FCC Plan, after which date ISP-bound traffic will be subject to the FCC Plan's prescribed terminating compensation rates, and other terms and conditions, and seek conforming modifications to this Agreement. If any action by any state or federal regulatory or legislative body or court of competent jurisdiction invalidates, modifies, or stays the enforcement of laws or regulations that were the basis or rationale for any rate(s), term(s) and/or condition(s) ("Provisions") of the Agreement and/or otherwise affects the rights or obligations of either Party that are addressed by this Agreement, specifically including but not limited to those arising with respect to the Government Actions, the affected Provision(s) shall be immediately invalidated, modified or stayed consistent with the action of the regulatory or legislative body or court of competent jurisdiction upon the written request of either Party ("Written Notice"). In addition, to the extent this Agreement is in effect in Illinois, the Parties agree that any ICC orders implementing the Illinois Law, including, without limitation, the ICC Rates, shall automatically apply to this Agreement (for the state of Illinois only) as of the effective date of any such order(s) upon Written Notice, and as soon as practical thereafter, **SBC ILLINOIS** shall begin billing CLEC the ICC Rates; provided, however, the Parties acknowledge and agree that no later than sixty (60) days from the Written Notice, the Parties will execute a conforming Amendment to this Agreement so that the Agreement accurately reflects the ICC Rates and **SBC ILLINOIS** will issue any adjustments, as needed, to reflect that the ICC Rates became effective between the Parties as of the effective date of the applicable ICC order(s). With respect to all other Written Notices hereunder, the Parties shall have sixty (60) days from the Written Notice to attempt to negotiate and arrive at an agreement on the appropriate conforming modifications to the Agreement. If the Parties are unable to agree upon the conforming modifications required within sixty (60) days from the Written Notice, any disputes between the Parties concerning the interpretation of the actions required or the provisions affected by such order shall be resolved pursuant to the dispute resolution process provided for in this Agreement.

14. INDEMNITY

- 14.1 Except as otherwise expressly provided herein or in specific appendices, each Party shall be responsible only for the Telecommunications Services, functions, facilities, products and services which are provided by that Party, its authorized agents, subcontractors, or others retained by such Parties, and neither Party shall bear any responsibility for the Telecommunications Services, functions, facilities, products and services provided by the other Party, its agents, subcontractors, or others retained by such Parties.
- 14.2 Except as otherwise expressly provided herein or in specific appendices, and to the extent not prohibited by Applicable Law and not otherwise controlled by tariff, each Party (the "**Indemnifying Party**") shall release, defend and indemnify the other Party (the "**Indemnified Party**") and hold such Indemnified Party harmless against any Loss to a Third Party arising out of the negligence or willful misconduct ("**Fault**") of such Indemnifying Party, its agents, its End Users, contractors, or others retained by such Parties, in connection with the Indemnifying Party's provision of Resale Services, functions, facilities, products and services under this Agreement; provided, however, that (i) with respect to employees or agents of the Indemnifying Party, such Fault occurs while performing within the scope of their employment, (ii) with respect to subcontractors of the Indemnifying Party, such Fault occurs in the course of performing duties of the subcontractor under its subcontract with the Indemnifying Party, and (iii) with respect to the Fault of employees or agents of such subcontractor, such Fault occurs while performing within the scope of their employment by the subcontractor with respect to such duties of the subcontractor under the subcontract.
- 14.3 In the case of any Loss alleged or claimed by a End User of either Party, the Party whose End User alleged or claimed such Loss (the "**Indemnifying Party**") shall defend and indemnify the other Party (the "**Indemnified Party**") against any and all such Claims or Losses by its End User regardless of whether the underlying Resale Service function, facility, product or service giving rise to such Claim or Loss was provided or provisioned by the Indemnified Party, unless the Claim or Loss was caused by the gross negligence or willful misconduct of the Indemnified Party.
- 14.4 A Party (the "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party ("**Indemnified Party**") against any Claim or Loss arising from the Indemnifying Party's use of Resale Services, functions, facilities, products and services provided under this Agreement involving:
- 14.4.1 any Claim or Loss arising from such Indemnifying Party's use of Resale Services, functions, facilities, products and services offered under this Agreement, involving any Claim for libel, slander, invasion of privacy, or infringement of Intellectual Property rights arising from the Indemnifying Party's or its End User's use.
- 14.4.1.1 The foregoing includes any Claims or Losses arising from disclosure of any End User-specific information associated with either the originating or terminating numbers used to provision Resale Services, functions, facilities, products or services provided hereunder and all other Claims arising out of any act or omission of the End User in the course of using any Resale Services, functions, facilities, products or services provided pursuant to this Agreement.
- 14.4.1.2 The foregoing includes any Losses arising from Claims for actual or alleged infringement of any Intellectual Property right of a Third Party to the extent that such Loss arises from an Indemnifying Party's or an Indemnifying Party's End User's use of Resale Services, functions, facilities, products or services

provided under this Agreement; provided, however, that an Indemnifying Party's obligation to defend and indemnify the Indemnified Party shall not apply:

14.4.1.2.1 where an Indemnified Party or its End User modifies Resale Services, functions, facilities, products or services; and

14.4.1.2.2 no infringement would have occurred without such modification.

14.4.2 any and all penalties imposed on either Party because of the Indemnifying Party's failure to comply with the Communications Assistance to Law Enforcement Act of 1994 (**CALEA**); provided that the Indemnifying Party shall also, at its sole cost and expense, pay any amounts necessary to modify or replace any equipment, facilities or services provided to the Indemnified Party under this Agreement to ensure that such equipment, facilities and services fully comply with CALEA.

14.5 A Party shall reimburse the other Party for damages to the Party's facilities utilized to provide Telecommunication Services caused by the negligence or willful act of a Party, its agents or subcontractors or a party's End User or resulting from the malfunction of either Party's facilities, functions, products, services or equipment provided by any person or entity other than the Parties. Upon reimbursement for damages, the Party will cooperate with the other Party in prosecuting a claim against the person causing such damage. The Party shall be subrogated to the right of recovery by the other Party for the damages to the extent of such payment.

14.6 Indemnification Procedures

14.6.1 Whenever a claim shall arise for indemnification under this Section 14, the relevant Indemnified Party, as appropriate, shall promptly notify the Indemnifying Party and request in writing the Indemnifying Party to defend the same. Failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such claim.

14.6.2 The Indemnifying Party shall have the right to defend against such liability or assertion, in which event the Indemnifying Party shall give written notice to the Indemnified Party of acceptance of the defense of such claim and the identity of counsel selected by the Indemnifying Party.

14.6.3 Until such time as Indemnifying Party provides written notice of acceptance of the defense of such claim, the Indemnified Party shall defend such claim, at the expense of the Indemnifying Party, subject to any right of the Indemnifying Party to seek reimbursement for the costs of such defense in the event that it is determined that Indemnifying Party had no obligation to indemnify the Indemnified Party for such claim.

14.6.4 Upon accepting the defense, the Indemnifying Party shall have exclusive right to control and conduct the defense and settlement of any such claims, subject to consultation with the Indemnified Party. So long as the Indemnifying Party is controlling and conducting the defense, the Indemnifying Party shall not be liable for any settlement by the Indemnified Party unless such Indemnifying Party has approved such settlement in advance and agrees to be bound by the agreement incorporating such settlement.

- 14.6.5 At any time, an Indemnified Party shall have the right to refuse a compromise or settlement, and, at such refusing Party's cost, to take over such defense; provided that, in such event the Indemnifying Party shall not be responsible for, nor shall it be obligated to indemnify the refusing Party against, any cost or liability in excess of such refused compromise or settlement.
- 14.6.6 With respect to any defense accepted by the Indemnifying Party, the Indemnified Party will be entitled to participate with the Indemnifying Party in such defense if the claim requests equitable relief or other relief that could affect the rights of the Indemnified Party, and shall also be entitled to employ separate counsel for such defense at such Indemnified Party's expense.
- 14.6.7 If the Indemnifying Party does not accept the defense of any indemnified claim as provided above, the Indemnified Party shall have the right to employ counsel for such defense at the expense of the Indemnifying Party.
- 14.6.8 In the event of a failure to assume the defense, the Indemnified Party may negotiate a settlement, which shall be presented to the Indemnifying Party. If the Indemnifying Party refuses to agree to the presented settlement, the Indemnifying Party may take over the defense. If the Indemnifying Party refuses to agree to the presented settlement and refuses to take over the defense, the Indemnifying Party shall be liable for any reasonable cash settlement not involving any admission of liability by the Indemnifying Party, though such settlement may have been made by the Indemnified Party without approval of the Indemnifying Party, it being the Parties' intent that no settlement involving a non-monetary concession by the Indemnifying Party, including an admission of liability by such Party, shall take effect without the written approval of the Indemnifying Party.
- 14.6.9 Each Party agrees to cooperate and to cause its employees and agents to cooperate with the other Party in the defense of any such claim and the relevant records of each Party shall be available to the other Party with respect to any such defense, subject to the restrictions and limitations set forth in Section [20].
- 14.6.10 To the extent that state or federal law or regulations require **SBC-4STATE** to reimburse CLEC for credits, cellular telephone costs or other compensation for End Users resulting from failure to meet certain service quality standards, nothing in this Agreement shall be deemed to require CLEC to follow procedures to obtain such reimbursement other than those procedures set forth in the applicable state or federal law or regulations. Disputes shall be resolved pursuant to dispute resolution processes specified by such state or federal law or regulations, if any. In the absence of such specifically identified dispute resolution processes, disputes shall be resolved pursuant to the dispute resolution processes in this agreement. This paragraph does not create any additional liability for either Party and is only intended to clarify the processes for obtaining the reimbursement described herein where authorized by law or regulation.

15. LIMITATION OF LIABILITY

- 15.1 Except as otherwise provided in Section 14 Indemnity or in specific appendices, each Party shall be responsible only for services(s) and facility (ies) that are provided by that Party, its authorized agents, subcontractors, or others retained by such parties, and neither Party shall bear any responsibility for the service(s) and facility (ies) provided by the other Party, its agents, subcontractors, or others retained by such parties.

- 15.2 Except as otherwise expressly provided in specific appendices, in the case of any Loss alleged or claimed by a Third Party to have arisen out of the negligence or willful misconduct of any Party, each Party shall bear, and its obligation shall be limited to, that portion (as mutually agreed to by the Parties or as otherwise established) of the resulting expense caused by its own negligence or willful misconduct or that of its agents, servants, contractors, or others acting in aid or concert with it.
- 15.3 A Party may, in its sole discretion, provide in its tariffs and contracts with its End Users or Third Parties that relate to any Telecommunications Services functions, facilities, products and services provided or contemplated under this Agreement that, to the maximum extent permitted by Applicable Law, such Party shall not be liable to such End User or Third Party for (i) any Loss relating to or arising out of this Agreement, whether in contract, tort or otherwise, that exceeds the amount such Party would have charged the End User or Third Party for the Telecommunications Services, functions, facilities, products and services that gave rise to such Loss and (ii) any Consequential Damages. If a Party elects not to place in its tariffs or contracts such limitation(s) of liability, and the other Party incurs a Loss as a result thereof, the first Party shall indemnify and reimburse the other Party for that portion of the Loss that would have been limited had the first Party included in its tariffs and contracts the limitation(s) of liability described in this Section 15.3.
- 15.4 Neither CLEC nor **SBC-4STATE** shall be liable to the other Party for any Consequential Damages suffered by the other Party, regardless of the form of action, whether in contract, warranty, strict liability, tort or otherwise, including negligence of any kind, whether active or passive (and including alleged breaches of this Agreement and causes of action alleged to arise from allegations that breach of this Agreement constitutes a violation of the Act or other Applicable Law), and regardless of whether the Parties knew or had been advised of the possibility that such damages could result, in connection with or arising from anything said, omitted, or done hereunder or related hereto, including willful acts or omissions; provided that the foregoing shall not limit a Party's obligation under Section 14.2 to indemnify, defend, and hold the other Party harmless against any amounts payable to a Third Party, including any Losses, and Consequential Damages of such Third Party; provided, however, that nothing in this Section 15.4 shall impose indemnity obligations on a Party for any Loss or Consequential Damages suffered by a Party's End User in connection with any affected Telecommunications Services, functions, facilities, products and services. Except as provided in the prior sentence, each Party hereby releases and holds harmless the other Party (and such other Party's Affiliates, and their respective officers, directors, employees and agents) from any such Claim. *Nothing contained in this Section 15.4 shall exclude or limit the liability of either Party with respect to obligations under the financial incentive or remedy provisions of the any service quality plan required by the FCC or the IL-CC or bill credit remedies or damages in connection with failure to provide adequate carrier-to-carrier service quality or to meet the carrier-to-carrier service quality standards set forth in the Appendix Performance Measurements, applicable Resale Tariff or prescribed by the FCC or a Commission.*
- 15.5 Except for (1) indemnity obligations expressly set forth in Section 14, (2) obligations under the financial incentive or remedy provisions of any service quality plan required by the FCC or any

* The Parties agree that this language is a non-voluntary offering by **SBC Illinois** and arises from the following order: Order of the Illinois Commerce Commission in McLeodUSA Telecommunications Services, Inc. Petition for Arbitration of Interconnection Rates, Terms and Conditions and Related Arrangements with Illinois Bell Telephone Company (Ameritech Illinois) Pursuant to Section 252(b) of the Telecommunications Act of 1996, Docket 01-0623. Refer to INTERCONNECTION AGREEMENT, GENERAL TERMS AND CONDITIONS, Section 2.7.

* The Parties agree that this language is a non-voluntary offering by **SBC Illinois** consistent with the Order of the Illinois Commerce Commission in AT&T Communications of Illinois, Inc., TCG Illinois and TCG Chicago Verified Petition for Arbitration of Interconnection Rates, Terms and

Commission, (3) credits to invoices and discounts payable to a Party in connection with the failure to provide adequate carrier-to-carrier service quality or to meet the carrier-to-carrier service quality standards set forth in any Appendix Performance Measurements, applicable Resale Tariff or prescribed by a Commission, or (4) obligations expressly provided in an Appendix, attachment, addendum or Service Agreement attached hereto or referenced herein or therein payments required pursuant to Section 3.7, including but not limited to any penalties, damages, service associated credits with the SBC and Ameritech merger or other penalties assessed by any state, and except for indemnity obligations under Section 14. Indemnity, each Party's liability to the other Party for any Loss relating to or arising out of any negligent act or omission in its performance under this Agreement whether in contract, tort or otherwise, shall not exceed in total the amount **SBC-4STATE** or CLEC has or would have properly charged to the other Party by such negligent or breaching Party for the service(s) or function(s) not performed or improperly performed, unless the damage is caused by **SBC-4STATE**'s gross negligence or willful misconduct. Notwithstanding the foregoing, in cases involving any Claim for a Loss associated with the installation, provision termination, maintenance, repair or restoration of an individual Resale Service provided for a specific End User of the other Party, the negligent or breaching Party's liability shall be limited to the greater of: (i) the total amount properly charged to the other Party for the service or function not performed or improperly performed, and (ii) the amount such negligent or breaching Party would have been liable to its End User if the comparable retail service was provided directly to its End User.

GOVERNING LAW

16.1 Unless otherwise provided by Applicable Law, this Agreement shall be governed by and construed in accordance with the Act, the FCC rules and regulations interpreting the Act and other applicable federal law. To the extent that federal law would apply state law in interpreting this Agreement, the domestic laws of the state in which the Resale Services, functions, facilities, products and services at issue are furnished or sought shall apply, without regard to that state's conflict of laws principles. The Parties submit to personal jurisdiction in Chicago, Illinois; Indianapolis, Indiana; Detroit, Michigan; and Milwaukee, Wisconsin, and waive any and all objection to any such venue.

17. REGULATORY APPROVAL

17.1 The Parties understand and agree that this Agreement and any amendment or modification hereto will be filed with the Commission for approval in accordance with Section 252 of the Act and may thereafter be filed with the FCC. The Parties believe in good faith and agree that the services to be provided under this Agreement are in the public interest. Each Party covenants and agrees to fully support approval of this Agreement by the Commission or the FCC under Section 252 of the Act without modification.

17.2 *The Parties understand and agree that this Agreement will be filed with the Commission for approval by such Commission (or the FCC if the Commission fails to act pursuant to Section 252 of the Act). Each Party agrees that this Agreement is satisfactory to them as an agreement under Sections 251 and 252 of the Act. Each Party agrees that this Agreement conforms to the arbitration order of the Commission approving this Agreement, and agrees to fully support approval of this Agreement by the Commission (or the FCC) under Section 252 of the Act without modification; provided, however, that each Party may exercise its right to judicial review under Section 252(e)(6) of the Act, or any other available remedy at law or equity, with respect to any matter included herein by arbitration under the Act. If the Commission, the FCC or any court rejects any portion of this Agreement, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification of the rejected portion and related provisions; provided that such rejected portion shall not affect the validity of the remainder of this Agreement. The Parties acknowledge that nothing in this Agreement shall limit a Party's ability,*

Conditions and Related Arrangements with Illinois Bell Telephone Company (SBC Illinois) pursuant to Section 252(b) of the Telecommunications Act of 1996, Docket No. 03-0239, Arbitration Decision (Aug. 26, 2003). Refer to INTERCONNECTION AGREEMENT: GENERAL TERMS AND CONDITIONS, Section 2.7.

independent of such Party's agreement to support and participate in the approval of this Agreement, to assert public policy issues relating to the Act.

18. COMPLIANCE AND CERTIFICATION

- 18.1 Each Party shall comply at its own expense with all Applicable Laws that relate to that Party's obligations to the other Party under this Agreement. Nothing in this Agreement shall be construed as requiring or permitting either Party to contravene any mandatory requirement of Applicable Law.
- 18.2 Each Party warrants that it has obtained all necessary state certification required in each state covered by this Agreement prior to ordering any Resale Services, functions, facilities, products and services from the other Party pursuant to this Agreement. Upon request, each Party shall provide proof of certification.
- 18.3 Each Party shall be responsible for obtaining and keeping in effect all approvals from, and rights granted by, Governmental Authorities, building and property owners, other carriers, and any other Third Parties that may be required in connection with the performance of its obligations under this Agreement.
- 18.4 Each Party represents and warrants that any equipment, facilities or services provided to the other Party under this Agreement comply with the CALEA.

19. LAW ENFORCEMENT

- 19.1 Each Party shall reasonably cooperate with the other Party in handling law enforcement requests as follows:
- 19.1.1 Intercept Devices:
- 19.1.1.1 Local and federal law enforcement agencies periodically request information or assistance from local telephone service providers. When either Party receives a request associated with an End User of the other Party, it shall refer such request to the Party that serves such End User, unless the request directs the receiving Party to attach a pen register, trap-and-trace or form of intercept on the Party's facilities, in which case that Party shall comply with any valid request.
- 19.1.2 Subpoenas:
- 19.1.2.1 If a Party receives a subpoena for information concerning an End User the Party knows to be an End User of the other Party, it shall refer the subpoena to the Requesting Party with an indication that the other Party is the responsible company, unless the subpoena requests records for a period of time during which the receiving Party was the End User's service provider, in which case that Party will respond to any valid request.
- 19.1.3 Emergencies:
- 19.1.3.1 If a Party receives a request from a law enforcement agency for a temporary number change, temporary disconnect, or one-way denial of outbound calls by the receiving Party's switch for an End User of the other Party, that Receiving Party will comply with a valid emergency request. However, neither Party shall be held liable for any claims or Losses arising from compliance with such requests on behalf of the other Party's End User and the Party serving such End User agrees to indemnify and hold the other Party harmless against any and all such claims or Losses.

20. RELATIONSHIP OF THE PARTIES/INDEPENDENT CONTRACTOR

- 20.1 Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of its employees assisting in the performance of such obligations. Each Party and each Party's contractor(s) shall be solely responsible for all matters relating to payment of such employees, including the withholding or payment of all

applicable federal, state and local income taxes, social security taxes and other payroll taxes with respect to its employees, as well as any taxes, contributions or other obligations imposed by applicable state unemployment or workers' compensation acts and all other regulations governing such matters. Each Party has sole authority and responsibility to hire, fire and otherwise control its employees.

20.2 Nothing contained herein shall constitute the Parties as joint venturers, partners, employees or agents of one another, and neither Party shall have the right or power to bind or obligate the other. Nothing herein will be construed as making either Party responsible or liable for the obligations and undertakings of the other Party. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

21. NO THIRD PARTY BENEFICIARIES; DISCLAIMER OF AGENCY

21.1 This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein expressed or implied shall create or be construed to create any Third Party beneficiary rights hereunder. This Agreement shall not provide any Person not a party hereto with any remedy, claim, liability, reimbursement, cause of action, or other right in excess of those existing without reference hereto.

22. SUBCONTRACTING

22.1 If either Party retains or engages any subcontractor to perform any of that Party's obligations under this Agreement, each Party will remain fully responsible for the performance of this Agreement in accordance with its terms, including any obligations either Party performs through subcontractors.

22.2 Each Party will be solely responsible for payments due that Party's subcontractors.

22.3 No subcontractor will be deemed a Third Party beneficiary for any purposes under this Agreement.

22.4 No contract, subcontract or other agreement entered into by either Party with any Third Party in connection with the provision of Resale Services, functions, facilities, products and services hereunder will provide for any indemnity, guarantee or assumption of liability by the other Party to this Agreement with respect to such arrangement, except as consented to in writing by the other Party.

22.5 Any subcontractor that gains access to Customer Proprietary Network Information ("CPNI") or Proprietary Information covered by this Agreement shall be required by the subcontracting Party to protect such CPNI or Proprietary Information to the same extent the subcontracting Party is required to protect such CPNI or Proprietary Information under the terms of this Agreement.

23. FORCE MAJEURE

23.1 No Party shall be responsible for delays or failures in performance of any part of this Agreement (other than an obligation to make money payments) resulting from acts or occurrences beyond the reasonable control of such Party, including acts of nature, acts of civil or military authority, any law, order, regulation, ordinance of any Governmental Authority, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, hurricanes, floods, work stoppages, equipment failures, cable cuts, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers (individually or collectively, a "Force Majeure Event") or any Delaying Event caused by the other Party or any other circumstances beyond the Party's reasonable control. If a Force Majeure Event shall occur, the Party

affected shall give prompt notice to the other Party of such Force Majeure Event specifying the nature, date of inception and expected duration of such Force Majeure Event, whereupon such obligation or performance shall be suspended to the extent such Party is affected by such Force Majeure Event during the continuance thereof or be excused from such performance depending on the nature, severity and duration of such Force Majeure Event (and the other Party shall likewise be excused from performance of its obligations to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its reasonable efforts to avoid or remove the cause of nonperformance and the Parties shall give like notice and proceed to perform with dispatch once the causes are removed or cease.

24. TAXES

24.1 Each Party purchasing Resale Services, functions, facilities, products and services under this Agreement shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, municipal fees, transfer, transaction or similar taxes, fees, or surcharges (hereinafter "Tax") imposed on, or with respect to, the Resale Services, functions, facilities, products and services under this Agreement provided by or to such Party, except for (a) any Tax on either party's corporate existence, status, or income or (b) any corporate franchise Taxes. Whenever possible, Taxes shall be billed as a separate item on the invoice.

24.2 With respect to any purchase of Resale Services, functions, facilities, products and services under this Agreement if any Tax is required or permitted by Applicable Law to be collected from the purchasing Party by the providing Party, then: (i) the providing Party shall bill the purchasing Party for such Tax; (ii) the purchasing Party shall remit such Tax to the providing Party; and (iii) the providing Party shall remit such collected Tax to the applicable taxing authority. Failure to include Taxes on an invoice or to state a Tax separately shall not impair the obligation of the purchasing Party to pay any Tax. Nothing shall prevent the providing Party from paying any Tax to the appropriate taxing authority prior to the time: (i) it bills the purchasing Party for such Tax, or (ii) it collects the Tax from the purchasing Party. *The providing Party agrees to indemnify and hold harmless the purchasing Party for any costs incurred by the purchasing Party as a result of actions taken by the applicable taxing authority to collect the Tax from the purchasing Party due to the failure of the providing Party to pay and remit such tax to such authority after such tax has been properly remitted by the purchasing Party to the providing Party.* Notwithstanding anything in this Agreement to the contrary, the purchasing Party shall be liable for and the providing Party may collect Taxes which were assessed by or paid to an appropriate taxing authority within the statute of limitations period but not included on an invoice within four (4) years after the Tax otherwise was owed or due.

24.3 With respect to any purchase hereunder of Resale Services, functions, facilities, products and services under this Agreement that are resold to a third party, if any Tax is imposed by Applicable Law on the End User in connection with any such purchase, then: (i) the purchasing Party shall be required to impose and/or collect such Tax from the End User; and (ii) the purchasing Party shall remit such Tax to the applicable taxing authority. The purchasing Party agrees to indemnify and hold harmless the providing Party for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to collect the Tax from the providing Party due to the failure of the purchasing Party to pay or collect and remit such tax to such authority.

24.4 If the providing Party fails to bill or to collect any Tax as required herein, then, as between the providing Party and the purchasing Party: (i) the purchasing Party shall remain liable for such uncollected Tax; and (ii) the providing Party shall be liable for any penalty and interest assessed with respect to such uncollected Tax by such authority. However, if the purchasing Party fails to pay any Taxes properly billed, then, as between the providing Party and the purchasing Party, the purchasing Party will be solely responsible for payment of the Taxes, penalty and interest.

24.5 If the purchasing Party fails to impose and/or collect any Tax from End Users as required herein, then, as between the providing Party and the purchasing Party, the purchasing Party shall remain liable for

such uncollected Tax and any interest and penalty assessed thereon with respect to the uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing Party has agreed to pay or impose on and/or collect from End Users, the purchasing Party agrees to indemnify and hold harmless the providing Party for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to collect the Tax from the providing Party due to the failure of the purchasing Party to pay or collect and remit such Tax to such authority.

- 24.6 If either Party is audited by a taxing authority or other Governmental Authority, the other Party agrees to reasonably cooperate with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.
- 24.7 To the extent a sale is claimed to be for resale and thus subject to tax exemption, the purchasing Party shall furnish the providing Party a proper resale tax exemption certificate as authorized or required by statute or regulation of the jurisdiction providing said resale tax exemption. Failure to timely provide said resale tax exemption certificate will result in no exemption being available to the purchasing Party for any period prior to the date that the purchasing Party presents a valid certificate. If Applicable Law excludes or exempts a purchase of Resale Services, functions, facilities, products and services under this Agreement from a Tax, but does not also provide an exemption procedure, then the providing Party will not collect such Tax if the purchasing Party (a) furnishes the providing Party with a letter signed by an officer of the purchasing Party claiming an exemption and identifying the Applicable Law that both allows such exemption and does not require an exemption certificate; and (b) supplies the providing Party with an indemnification agreement, reasonably acceptable to the providing Party, which holds the providing Party harmless from any tax, interest, penalties, loss, cost or expense with respect to forbearing to collect such Tax.
- 24.8 With respect to any Tax or Tax controversy covered by this Section 24, the purchasing Party is entitled to contest with the imposing jurisdiction, pursuant to Applicable Law and at its own expense, any Tax that it is ultimately obligated to pay or collect. The purchasing Party will ensure that no lien is attached to any asset of the providing Party as a result of any contest. The purchasing Party shall be entitled to the benefit of any refund or recovery of amounts that it had previously paid resulting from such a contest. Amounts previously paid by the providing Party shall be refunded to the providing Party. The providing Party will cooperate in any such contest.
- 24.9 All notices, affidavits, exemption certificates or other communications required or permitted to be given by either Party to the other under this Section 24 shall be sent in accordance with Section 9 hereof.

25. NON-WAIVER

- 25.1 Except as otherwise specified in this Agreement, no waiver of any provision of this Agreement and no consent to any default under this Agreement shall be effective unless the same is in writing and properly executed by or on behalf of the Party against whom such waiver or consent is claimed. Waiver by either Party of any default by the other Party shall not be deemed a waiver of any other default. Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege. No course of dealing or failure of any Party to strictly enforce any term, right, or condition of this Agreement in any instance shall be construed as a general waiver or relinquishment of such term, right or condition.

26. CONFLICT OF INTEREST

- 26.1 The Parties represent that no employee or agent of either Party has been or will be employed, retained, paid a fee, or otherwise received or will receive any personal compensation or consideration from the other Party, or any of the other Party's employees or agents in connection with the negotiation of this Agreement or any associated documents.

27. SURVIVAL

27.1 The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement. Without limiting the general applicability of the foregoing, the following terms and conditions of the General Terms and Conditions are specifically agreed by the Parties to continue beyond the termination or expiration of this Agreement: Section 5.5; Section 5.6, Section 6, Section 7; Section 10; Section 11; Section 12; Section 14; Section 16.4; Section 17.1.3; Section 21; Section 22; Section 23; and Section 26.1.3. *Further, the Parties acknowledge that the terms and conditions of this Agreement (including the Appendix Resale) that specifically apply to Resale Services purchased under a Service Agreement during the Term will survive the expiration of this Agreement and continue to apply to each such Service Agreement until the last expiration or termination date of a Service Agreement entered into or purchased during the Term.*

28. SCOPE OF AGREEMENT

28.1 This Agreement is intended to describe and enable specific Interconnection and compensation arrangements between the Parties. This Agreement is the arrangement under which the Parties may purchase from each other the products and services described in Section 251 of the Act and obtain approval of such arrangement under Section 252 of the Act. Except as agreed upon in writing, neither Party shall be required to provide the other Party a function, facility, product, service or arrangement described in the Act that is not expressly provided herein.

28.2 Except as specifically contained herein or provided by the FCC or any Commission within its lawful jurisdiction, nothing in this Agreement shall be deemed to affect any access charge arrangement.

29. AMENDMENTS AND MODIFICATIONS

29.1 No provision of this Agreement shall be deemed amended or modified by either Party unless such an amendment or modification is in writing, dated, and signed by an authorized representative of both Parties. The rates, terms and conditions contained in the amendment shall become effective upon approval of such amendment by the appropriate Commissions. **SBC-4STATE** and CLEC shall each be responsible for its share of the publication expense (i.e. filing fees, delivery and reproduction expense, and newspaper notification fees), to the extent publication is required for filing of an amendment by a specific state.

29.2 Neither Party shall be bound by any preprinted terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications.

30. AUTHORITY

30.1 Each of the SBC-owned ILEC(s) for which this Agreement is executed represents and warrants that it is a corporation or limited partnership duly organized, validly existing and in good standing under the laws of its state of incorporation or formation. Each of the SBC-owned ILEC(s) for which this Agreement is executed represents and warrants that SBC Telecommunications, Inc. has full power and authority to execute and deliver this Agreement as agent for that SBC-owned ILEC. Each of the SBC-owned ILEC(s) for which this Agreement is executed represents and warrants that it has full power and authority to perform its obligations hereunder.

30.2 CLEC represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. CLEC represents and warrants that it has been or will be certified as a LEC by the Commission(s) prior to submitting any orders hereunder and is or will be authorized to provide the Telecommunications Services contemplated hereunder in the territory contemplated hereunder prior to submission of orders for such Service.

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

31. COUNTERPARTS

31.1 This Agreement may be executed in counterparts.. Each counterpart shall be considered an original and such counterparts shall together constitute one and the same instrument.

32. ENTIRE AGREEMENT

32.1 The terms contained in this Agreement and any Appendices, Attachments, Exhibits, Schedules, *Service Agreements* and Addenda constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written between the Parties during the negotiations of this Agreement and through the execution and/or Effective Date. This Agreement shall not operate as or constitute a novation of any agreement or contract between the Parties that predates the execution and/or Effective Date.

SBC-4STATE Agreement

Need signature page with appropriate inserts for CLEC specific DCN/AECNs as prescribed by Section 3.3.

On signature page: **THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.**