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ORIGINAL

February 26, 2003

# BY HAND DELIVERY

Ms. Blanca S. Bayo, Director Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

130201 - TP

Re: Interim Traffic Termination and Billing Agreement between Smart City Telecom and SBC Telecom

Dear Ms. Bayo:

Pursuant to Section 252 of the Telecommunications Act of 1996, enclosed for filing are the original and fifteen (15) copies of the above-referenced Interim Traffic Termination and Billing Agreement.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,

J. Jeffry Wahlen

Enclosures

cc: Lynn B. Hall (w/encls.) David Hammock (w/encls.)

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**FPSC-COMMISSION CLERK** 

# INTERIM TRAFFIC TERMINATION AND BILLING AGREEMENT

dated as of <u>February 17</u>, 2003

between

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# SMART CITY TELECOMMUNICATIONS LLC D/B/A SMART CITY TELECOM

and

# SBC TELECOM, INC.

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# ATTACHMENT LIST

ATTACHMENT "A" - Exchanges

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ATTACHMENT "B" - Arrangement of Facility Systems

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#### INTERIM TRAFFIC TERMINATION AND BILLING AGREEMENT

This INTERIM TRAFFIC TERMINATION AND BILLING AGREEMENT ("Agreement") is effective as provided herein, by and between SBC Telecom, Inc., a Delaware corporation ("SBCT"), and Smart City Telecommunications LLC d/b/a Smart City Telecom, a Delaware limited liability company ("SCT") (collectively, SCT and SBCT shall be referred to as the "Parties". "Party" shall be the singular reference to "Parties").

# $\underline{WITNESSETH}$ :

WHEREAS, this Agreement sets forth the provisions under which SBCT and SCT will provide for originating, terminating, and/or transporting "Toll Traffic" (as defined hereinbelow in subsection 2.2) and "Local Traffic" (as defined hereinbelow in subsection 2.2) between the facilities owned, controlled, or operated by the Parties. This Agreement also sets forth the terms and conditions for the handling of telecommunications services for which charges are billed and collected by one Party for the other Party;

WHEREAS, this Agreement covers only traffic provided through the use of feature group type C access, feature group type D terminating access, or feature group type D originating access;

WHEREAS, this Agreement is intended to fulfill each Parties obligations under subsection 251 (a) and (b)(5) of the Communications Act, as amended by the Telecommunications Act of 1996 ("Act"). This Agreement covers only the exchange of Local Traffic and Toll Traffic, which either SBCT originates outside of SCT's certificated service area and terminates inside SCT's certificated service area; or SCT originates inside of SCT's certificated service area and terminates on SBCT's network outside of SCT's certificated service area, as described in each of the Party's respective applicable tariffs on file with the Florida Public Service Commission ("Commission"), and is intended by SCT to replicate the arrangements currently existing by and between SCT and its neighboring incumbent local exchange companies for the exchange of Local Traffic; and

WHEREAS, it is specifically understood and agreed to by the Parties that nothing in this Agreement shall be construed as an attempt to reach agreement regarding matters contained in subsections 251 (b) and (c) of the Act, other than 251 (b)(5), nor shall any act or omission of SCT or any provision of this Agreement be construed as a waiver of SCT's rights under subsection 251 (f) of the Act.

**NOW, THEREFORE,** in consideration of the mutual obligations as set forth below the Parties hereby agree as follows:

# 1. EXCHANGES INCLUDED.

The current exchanges of SCT covered by this Agreement are shown in <u>Attachment</u> "<u>A</u>", attached hereto and incorporated herein by reference. The current exchanges of SBCT covered

by this Agreement are shown in <u>Attachment</u> "<u>A</u>", attached hereto and incorporated herein by reference.

#### 2. **PROVISION OF SERVICE**.

The Parties provision of service shall be as follows:

2.1. The Parties agree, pursuant to the terms set out herein, to exchange traffic for the purpose of allowing origination and termination of telephone calls between the Parties' end users. The Parties specifically agree and represent to the other that this Agreement does not include traffic originating from customers of a commercial mobile radio service provider ("CMRSP") and terminating to the Parties' end users, nor does it include traffic originating from the Parties' end users of "CMRSPs".

2.2. Each Party will plan, design, construct and maintain the facilities within their respective "Systems" (as defined below). These facilities include, but are not limited to, a sufficient number of trunks to the point of connection, and sufficient interoffice and interexchange trunks between its own central offices to adequately handle traffic between all central offices within the service areas to avoid excessive blocking and to ensure a minimum P.01 grade of service. The arrangement of the facility Systems including, but not limited to, routing and the "Meet Point" are shown in Attachment "B", attached hereto and incorporated herein by reference. Attachments "A" and "B", respectively, may change from time to time as a result of changes in exchange boundaries, local calling areas, NXX Codes, or implementation of new NXX codes, and the Party making such changes shall provide written notification to the other Party sixty (60) calendar days in advance of any change. Such notification shall include the details of the change(s). Notification to the other Party is not necessary if the change is reported in the Local Exchange Routing Guide ("LERG"). For purposes hereof, "Systems" shall mean the exchange and interexchange switching, and transmission facilities that route, switch and transport a Party's Local Traffic and Toll Traffic (as defined below) as are necessary and proper for the provision of traffic covered by this Agreement. For purposes hereof, "Local Traffic" shall mean calls that originate and terminate within the same exchange or other calling area associated with the originating exchange as generally defined and specified in the general subscriber service tariff of the incumbent local exchange carrier. The Parties specifically agree and represent to the other that this Agreement does not include traffic originating from customers of a CMRPS and terminating to the Parties' end users, nor does it include traffic originating from the Parties' end users and terminating to customers of CMRSPs. For purposes hereof, "Toll Traffic" shall mean all intraLATA or interLATA calls that are originated by an end user of the other Party and are not Local Traffic. For purposes hereof, "LATA" shall mean local access and transport area as defined in subsection 3(a)(43) of purposes hereof, "ISP Traffic" shall mean all calls that terminate to an Internet Service Provider, per the FCC's the Act. All ISP traffic shall be bill and keep. For purposes hereof, "Meet Point" shall mean that point mutually agreed upon by the Parties at which their network facilities are interconnected for the reciprocal exchange of traffic.

2.3. The provisioning and engineering of such services and facilities will comply with generally accepted industry methods and practices and the Parties shall observe the rules and regulations of their respective lawfully established tariffs applicable to the services provided. To the extent that SBCT requests a design that exceeds SCT's standard cost, SCT will provide SBCT with such actual cost of such SBCT requested design within thirty (30) calendar days. Within thirty (30) days of receipt of the notice from SCT establishing the actual costs, SBCT shall: (i) elect to promptly pay all such costs; or (ii) direct SCT to proceed with the design planned by SCT immediately prior to SCT's receipt of SBCT's design request. In the event SBCT does not so notify SCT of its election on or before such thirty (30) day election period, it shall be deemed that SBCT elected option (ii) in this subsection 2.3 and SBCT will not be subject to any SCT costs.

2.4. The traffic covered by this Agreement shall be routed as indicated in <u>Attachment</u> "<u>B</u>". Any changes in routing shall be coordinated between and agreed upon by the Parties before becoming effective.

# 3. TRAFFIC RECORDING AND IDENTIFICATION.

# 3.1. <u>Traffic Recording and Identification</u>.

The Parties traffic recording and identification is as follows:

3.1.1. The traffic recording and identification functions required to provide the services specified hereunder shall be performed by the Parties. Each Party shall calculate terminating minutes of use based on standard automatic message accounting recording made within each Party's network. The record shall contain the appropriate automatic number identification ("ANI") information or service provider information to identify the originating company, except as provided in Section 3.2.2. For purposes herein, "ANI" shall mean the process that identifies the telephone number of the line initiating a call in order to send this information to the automatic message accounting system.

3.1.2. SBCT and SCT agree they will, make every reasonable effort to accurately capture and report the actual usage interchanged between them for use in calculating the necessary compensation under this Agreement.

3.1.3. Should actual traffic information (measured in minutes of use) not be available, the Parties will mutually agree on a suitable alternative basis for calculating compensation that most closely approximates the actual interchanged usage.

# 3.2 <u>Billing of Minutes of Use for Toll Traffic</u>.

3.2.1. To the extent that the Parties are exchanging Toll Traffic, the Parties will be billed based on terminating minutes of use recordings. Minutes of use or fractions thereof (the exact value of the fraction being a function of the switch technology where the measurement is made) are accumulated over standard thirty (30) day billing periods, and are then rounded up to

the nearest minute of use. The measurement of minutes of use will be in accordance with industry standards.

3.2.2. For billing purposes, each Party shall pass ANI or Calling Party Number (CPN) information on each call carried over the Local/IntraLATA Trunks whenever practicable. So long as the percentage of calls passed with ANI or CPN is greater than ninety percent (90%), all calls exchanged without this information shall be billed as either local traffic or toll traffic in direct proportion to the minutes of use of calls exchanged with ANI or CPN is less than ninety percent (90%), all calls exchanged of calls passed with ANI or CPN is less than ninety percent (90%), all calls exchanged without this information shall be billed at toll traffic rates.

3.2.3. Telecommunications traffic billed hereunder shall be measured in a manner consistent with the measurement of terminating Feature Group D ("FGD") switched access traffic. Terminating calls will be measured by the Parties to determine the basis for chargeable traffic minutes. The measured minutes will be the chargeable traffic minutes. Measured minutes or fractions thereof (the exact value of the fraction being a function of the switch technology where the measurement is made) are accumulated over standard thirty (30) day billing periods, and are then rounded up to the nearest traffic minute.

3.2.4. All compensation payable pursuant to this Agreement shall be payable within thirty (30) days of the bill date. Any billing disputes involving Disputed Amounts shall be resolved in accordance with the procedures set forth in the Disputed Amounts section of this Agreement.

# 4. <u>COMPENSATION ARRANGEMENT</u>.

The Parties agree to compensate each other for the termination of Local Traffic and Toll Traffic pursuant to this Agreement in accordance with the following; provided, however, that SCT will not be paying SBCT any transport or transit charges for traffic originating on SCT's side of the Meet Point that is terminated beyond the Meet Point.

4.1. Each Party shall generate a monthly bill for Toll Traffic, as applicable, to the other Party for traffic terminating to its end offices. Minutes of use will be computed as described in this Agreement. Such bills will be formatted in accordance with industry standards.

4.2. Reciprocal Compensation, i.e. sometimes referred to as bill and keep, for termination of Local Traffic will be by "Mutual Traffic Exchange". For purposes hereof, "Mutual Traffic Exchange" shall mean a form of compensation in which one Party is compensated for terminating the other Party's Local Traffic through the reciprocal termination of it's traffic by the other Party.

4.3. Compensation for termination of Toll Traffic shall be calculated by applying the access rates set forth in each Party's then current respective state and/or federal tariff or price list, as applicable.

4.4. The Parties agree that the following billing percentages apply for the calculation of common transport charges for Toll Traffic: For Toll Traffic originating from SBCT and terminating to SCT, the percentage of transport billed by SCT will be sixty eight percent (68%) based upon the location of the Meet Point shown in <u>Attachment</u> "B" attached hereto. For Toll Traffic originating from SCT and terminating to SBCT, the percentage of transport billed by SBCT will be thirty two percent (32%) based upon the location of the Meet Point shown in <u>Attachment</u> "B" attached hereto.

4.5. All compensation payable pursuant to this Agreement for termination of traffic shall be payable within thirty (30) days of the bill date. Any billing disputes involving Disputed Amounts shall be resolved in accordance with the procedures set forth in the Disputed Amounts section of this Agreement.

# 5. <u>ALTERNATE BILLED MESSAGES</u>.

5.1. Each Party agrees to provide the other Party billing, collecting and remitting services on "Alternate Billed Messages". Each Party will provide to the other Party the EMR standard formatted record for billing of messages to their end users. For purposes hereof, "EMR" shall mean industry accepted formatted records to be exchanged between local exchange carriers ("LEC") for billing purposes. These records will be exchanged over centralized message distribution systems ("CMDS"). The CMDS transport system is used by the Bellcore Client Companies ("BCC") and other LEC's (through a sponsor relationship with a BCC) for the efficient transmission and exchange of in-collect and out-collect (intercompany settlement ("ICS") and non-ICS messages) billable records, access usage records, and summary usage records or a tape generated and mailed to the billing company. These records must be exchanged at least monthly. For purposes herein, "Alternate Billed Messages" shall mean messages originating on one Party's facilities that are billed by another company. Alternate Billed Messages include, without limitation, calls that are collect, third number billed and billed to a LEC calling card. For purposes hereof, "CMDS" shall mean a generic term that refers to all applications using the centralized nationwide system for the interexchange of data through a network of private line transmission facilities.

5.2. Each Party shall promptly furnish to the other Party such information as may be required for monthly compensation purposes. Compensation statements for Alternate Billed Messages will be rendered monthly and remittance in full will be made by the debtor company thirty (30) days thereafter. The Parties hereby agree that if any monthly statement reflects a total amount payable less than Ten and NO/100 Dollars (\$10.00), no payment shall be due with respect to such statement.

#### 6. <u>TAXES</u>.

Each party purchasing products or services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees, or surcharges (hereinafter "Tax") imposed on or with respect to the products or services provided by or to such Party, except for any Tax on either Party's corporate existence, status, or income. Whenever possible, these amounts shall be billed as a separate item on the invoice.

6.1. With respect to any purchase of services, facilities or other arrangements, 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 (ii) 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, or (2) it collects the Tax from the purchasing 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.

6.2. 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.

6.3. 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.

6.4. 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.

6.5. With respect to any Tax or Tax controversy covered by this Section, the purchasing Party is entitled to contest with the imposing jurisdiction, pursuant to applicable Law and at its own expense, any Tax that 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.

### 7. OPERATOR SERVICES.

Each Party will be responsible for maintaining its own customer information in currently available databases used in the provision of miscellaneous intercompany operator services (i.e. local assistance, directory assistance, directory assistance call completion, busy line verification/interrupt).

#### 8. <u>AUDITS</u>.

Each Party will keep adequate records of all collection, payments and other transactions hereunder. Upon thirty (30) days prior written notice, either Party may request an audit of the usage reports or billing data supplied by the other Party hereunder and any such audit shall be accomplished during normal business hours at the office designated by the Party being audited. Audit requests shall not be submitted more frequently than one time per calendar year. Audits shall be performed by a mutually acceptable independent auditor paid for by the Party requesting the audit. A request for an audit must be received within one year of receipt of the records or usage reports from the audited Party. Auditors hereunder shall not be compensated on a contingent fee basis.

#### 9. <u>GOVERNING LAW</u>.

This Agreement shall be governed by, construed under, interpreted and enforced in accordance with the laws of the State of Florida, and, where applicable, the laws of the United States of America.

#### 10. ENTIRE AGREEMENT; NO OFFER.

This Agreement contains the entire Agreement of SCT and SBCT with respect to the subject matter hereof, and no representations, warranties, inducements, promises or agreements, oral or otherwise, between the Parties not embodied in this Agreement shall be of any force or effect. This Agreement shall be modified only by a written agreement executed by both Parties with the same formalities as this Agreement, except as otherwise provided herein.

#### 11. LIMITATIONS OF LIABILITY AND INDEMNIFICATIONS.

The Parties agree that the following limitations of liability and indemnifications shall apply:

11.1. Except for the willful misconduct or gross negligence of either Party hereto, neither SBCT nor SCT will be liable to the other for either Party's indirect, incidental, special or consequential damages (including, but not limited to, lost profits) arising, in whole or

in part, from either Party's actions, omissions, mistakes, or negligence relating to performance under this Agreement (including, but not limited to, breaches of this Agreement).

11.2. Neither Party shall be liable for any act or omission of another telecommunications company providing a portion of the services provided under this Agreement.

11.3. Each Party assumes no liability for the accuracy of data provided by a third party and each Party agrees to indemnify and hold harmless the other Party for any third party claim, action, cause of action, damage, or injury that might result from the supply of inaccurate data in conjunction with the provision of any service provided pursuant to this Agreement.

11.4. SCT shall indemnify and hold harmless SBCT, its' "Affiliates" (as defined in subsection 11.1.10 hereof) and the respective officers, directors, employees and agents of each from all liabilities, damages, costs and expenses (including reasonable counsel fees) incurred in connection with any claim arising out of SCT's breach of any representation, warranty or obligation hereunder.

11.5. SBCT shall indemnify and hold harmless SCT, its' "Affiliates" (as defined in subsection 11.1.10 hereof), and the respective officers, directors, employees and agents of each from all liabilities, damages, costs and expenses (including reasonable counsel fees) incurred in connection with any claim arising out of SBCT's breach of any representation, warranty or obligation hereunder.

11.6. The Party seeking indemnification under this Agreement (the "Indemnified Party") shall give notice to the Party required to provide indemnification hereunder (the "Indemnifying Party") promptly after the Indemnified Party has actual knowledge of any claim as to which indemnity may be sought hereunder. The Indemnified Party shall permit the Indemnifying Party (at the Indemnifying Party's expense) to assume the defense of any claim or litigation resulting therefrom; provided, that: (i) counsel for the Indemnifying Party who shall conduct the defense of such claim or litigation shall be reasonably satisfactory to the Indemnified Party; (ii) the Indemnified Party may participate in such defense, but only at the Indemnified Party's own cost and expense; and (iii) the omission by the Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its indemnification obligations hereunder except to the extent that such omission results in a failure of actual notice to the Indemnifying Party and the Indemnifying Party is damaged as a result of such failure to give notice.

11.7. The Indemnifying Party shall not, except with the consent of the Indemnified Party, consent to entry of any judgment or administrative order or enter into any settlement that: (i) could affect the intellectual property rights of the Indemnified Party; or (ii) does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnified Party of a release from all liability with respect to such claim or litigation.

11.8. In the event that the Indemnified Party shall reasonably and in good faith determine that the conduct of the defense of any claim subject to the indemnification hereunder

or any proposed settlement of any such claim by the Indemnifying Party might be expected to affect adversely the Indemnified Party's intellectual property rights or ability to conduct future business, the Indemnified Party shall have the right at all times to take over and assume control over the defense, settlement negotiations or lawsuit relating to any such claim at the sole cost and expense of the Indemnifying Party; provided that if the Indemnified Party does so take over and assume control, the amount of the indemnity required to be paid by the Indemnifying Party shall be limited to the amount which the Indemnifying Party is able to demonstrate that it could have settled the matter for immediately prior to the time of such assumption.

11.9. In the event that the Indemnifying Party does not accept the defense of any matter as above provided, the Indemnified Party shall have the full right to defend against any such claim or demand, and shall be entitled to settle or agree to pay in full such claim or demand, in its sole discretion without waiving its right to indemnification hereunder.

11.10. For purposes of this Agreement, "Affiliates" shall mean any entity that is controlled by, controls, or is under common control with another entity. The term "control" in this definition (including, the terms "controlled", "controlled by" and "under common control with") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity.

11.11. The provisions of this Article 11 shall survive the expiration or sooner termination of this Agreement.

# 12. ASSIGNMENT AND BINDING EFFECT.

Neither Party may assign, transfer, or sublease (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, SBCT or SCT shall be allowed to assign, transfer, or sublease this Agreement to an Affiliate or an entity under its common control or an entity acquiring all or substantially all of its operations, assets or equity. Any attempted assignment or transfer not permitted under this Agreement shall be void ab initio. Without limiting the foregoing, with respect to any approved assignment, transfer and/or sublease hereunder, the assignor, transferor, and/or sublessor, as the case may be, shall be released from the rights, duties and obligations in this Agreement and such rights, duties and obligations shall extend to, be binding upon and inure to the benefit of such assignee, transferee and/or sublessee, as the case may be.

# 13. FORCE MAJEURE.

Except as otherwise expressly provided in this Agreement, and except with respect to any failure to pay any sum due hereunder as a result of bankruptcy, insolvency or refusal or inability to pay, if either Party shall be delayed or hindered in whole or in part, or prevented from, the performance of any non-monetary covenant or obligation hereunder as a result of acts of God, fire or other casualty, earthquake, hurricane, flood, epidemic, landslide, enemy act, war, riot, intervention by civil or military authorities of government, insurrection or other civil commotion,

general unavailability of necessary materials, strikes, boycotts, lockouts, labor disputes or work stoppage beyond the control of either Party hereto, then the performance of such covenant or obligation, shall be excused for the period of such delay, hindrance or prevention and the period of the performance of such covenant or obligation shall be extended by the number of days equivalent to the number of days of such delay, hindrance or prevention.

### 14. <u>NO WAIVER</u>.

No release, discharge or waiver of any provision hereof shall be enforceable against or binding upon either Party unless in writing and executed by both Parties. Neither the failure of either Party to insist upon a strict performance of any of the agreements, terms, covenants and conditions hereof, nor the acceptance of any payments from either Party with knowledge of a breach of this Agreement by the other Party in the performance of its obligations hereunder, shall be deemed a waiver of any rights or remedies that SCT or SBCT may have or a waiver of any subsequent breach or default in any of such agreements, terms, covenants and conditions.

# 15. <u>CONFIDENTIALITY OF PROPRIETARY DATA</u>.

The Parties agree that it may be necessary to exchange certain confidential information during the term of this Agreement including, without limitation, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data and similar information (collectively, "Confidential Information"). The Confidential Information shall either be in writing or other tangible forms and clearly marked with a confidential, private or proprietary legend (except for all information reviewed pursuant to Article 8 which shall be protected hereunder, whether or not so marked) or when the Confidential Information is communicated orally, it shall also be communicated that the Information is confidential, private or proprietary. The Confidential Information shall be returned to the owner within seven (7) days from such Party's receipt of owner's request for same. Except as otherwise required by Law or the rules of the Commission, SCT and SBCT agree not to disclose Confidential Information to any third party other than to their respective directors, officers, employees and agents and advisors (including, legal, financial and accounting advisors) as needed to effectuate this Agreement. If Confidential Information must be produced to the Commission, it shall be provided pursuant to the Commission's rule regarding confidential information.

# 16. AGREEMENT DOES NOT BENEFIT NON-PARTIES.

In entering into, and in performing under, this Agreement, the Parties do not intend to benefit in any way, any person who is not one of the two Parties to this Agreement. This Agreement does not enlarge, add to, or change, in any way, any rights of any non-parties which would exist if this Agreement did not exist.

# 17. <u>TERM</u>.

17.1. The Parties shall file this Agreement with the Commission as soon as practicable following its execution in accordance with the Act and unless rejected by the Commission, it shall become effective when approved by the Commission or when deemed approved under the Act. Pending approval of this Agreement by the Commission, the Parties agree to exchange traffic in accordance with applicable Law and pursuant to the terms of this Agreement as soon as reasonably practicable after this Agreement has been executed by both Parties.

17.2. The Parties agree to exchange traffic pursuant to the terms of this Agreement for a period of one (1) year from the effective date of this Agreement, and thereafter the Agreement shall continue in full force and effect until terminated or replaced by an agreement pursuant to subsection 17.3 hereof. The effective date of this Agreement shall be the date of its approval by the Commission. In the event one Party is terminating twenty percent (20%) or more traffic than the other Party hereto, for a period of at least three (3) consecutive months and the local traffic exceeds 125,000 minutes of use for those three (3) consecutive months or in the event SCT renegotiates the compensation mechanism for the exchange of Local Traffic with its neighboring incumbent LEC's, either Party hereto may, at its option, request renegotiation of Article 4 hereof and the Parties agree to negotiate in good faith to reach an equitable compensation arrangement.

17.3. Upon delivery of written notice at least one hundred and sixty (160) days prior to the expiration of this Agreement, either Party may terminate or require negotiations of the rates, terms, and conditions of the interconnection arrangements to be effective upon such expiration. Unless deemed to be inconsistent with the Act, if the Parties are unable to satisfactorily negotiate such new terms within one hundred thirty-five (135) days of commencing the negotiations, either Party may petition the Commission to establish appropriate interconnection arrangements. In the event that the Commission does not issue its order prior to the scheduled expiration date in such state, the Parties agree that the rates, terms and conditions ultimately ordered by such Commission or negotiated by the Parties will be effective retroactive to the expiration date. Until the revised interconnection arrangements become effective, the Parties shall continue to exchange traffic pursuant to the terms of this Agreement.

17.4. The Parties acknowledge that this Agreement does not cover all aspects of the exchange of local and intraLATA toll traffic under the Act. If changes in business plans, traffic volumes or network configurations warrant, the exchange of traffic not addressed herein between the Parties will be negotiated on a nondiscriminatory basis.

17.5. This Agreement shall have no precedential effect in the event the Parties negotiate or arbitrate a definitive agreement pursuant to subsections 251(b) and (c) of the Act as applicable.

#### 18. <u>NOTICES</u>.

#### 18.1. Notices Requirements.

Any notice, demand, request, offer, consent, approval or communication to be provided under this Agreement shall be in writing and shall be deemed received: (i) if sent by certified or registered U.S. mail with a return receipt requested, and addressed (as the case may be) to SCT at SCT's address shown herein, or to SBCT at SBCT's address shown herein; (ii) the next day after it is deposited with a nationally recognized and reputable air courier addressed (as the case may be) to SCT at SCT's address shown herein, or to SBCT at SBCT's address shown herein; or (iii) the same day it is personally delivered (as the case may be) to SCT at SCT's address shown herein, or to SBCT at SBCT's address shown herein.

#### 18.2. Notices Addresses.

Notices Addresses for the Parties are set forth as follows:

SBC Telecom, Inc. Three SBC Plaza Room 1502 Dallas, Texas 75202 Attention: David Hammock Executive Director Interconnection

Smart City Telecom 3100 Bonnet Creek Road P.O. Box 22555 Lake Buena Vista, Florida 32830-2555 Attention: Lynn B. Hall Director - Contracts and Tariffs

18.3. Different Address.

Either Party may designate a different representative and/or address for receiving notice hereunder by giving thirty (30) days prior written notice to the other Party in accordance with the provisions hereof.

18.4. <u>Refusal of Notice</u>.

If any notice is tendered and is refused by the intended recipient, such notice shall, nonetheless, be considered to have been given and shall be effective as of the date provided herein.

#### 19. <u>SEVERABILITY</u>.

If any clause or provision of this Agreement is found to be illegal, invalid or unenforceable under applicable present or future Laws effective during the term of this Agreement, the remainder of this Agreement shall not be affected. In lieu of each clause or provision of this Agreement that is illegal, invalid or unenforceable, there shall be added as a part of this Agreement a clause or provision as nearly identical as may be possible and as may be legal, valid and enforceable. Notwithstanding the foregoing, in the event any clause or provision of this Agreement is illegal, invalid or unenforceable as aforesaid and the effect of such illegality, invalidity or unenforceability is that either Party no longer has the substantial and material benefit of its bargain under this Agreement, then, in such event, such Party may, in its discretion, request good faith renegotiation with the other Party of such illegal, invalid or unenforceable provision. If the Parties do not reach agreement on such provision within thirty (30) days of the date of such request, either Party may cancel and terminate this Agreement (if allowable by applicable law) upon providing reasonable advance written notice thereof to the other Party.

# 20. ACCORD AND SATISFACTION.

Payment by either Party, or receipt or acceptance by a receiving Party hereto, of any payment due hereunder in an amount less than the amount required to be paid hereunder shall not be deemed an accord and satisfaction, or a waiver by the receiving Party of its right to receive and recover the full amount of such payment due hereunder, notwithstanding any statement to the contrary on any check or payment or on any letter accompanying such check or payment. The receiving Party may accept such check or payment without prejudice to the receiving Party's right to recover the balance of such payment due hereunder or to pursue any other legal or equitable remedy provided in this Agreement.

#### 21. PROMOTIONS.

# 21.1. SCT's Promotions.

Except as specifically permitted by SCT in this Agreement, SBCT, by virtue of this Agreement, shall acquire no right to use, and shall not use, the names of "Smart City Telecommunications", "Smart City Telecom" (either alone or in conjunction with or as a part of any other word, mark or name) or any fanciful characters or designs of SCT or any of its related, Affiliated or subsidiary companies, in any advertising, publicity, or promotion; nor to express or imply any endorsement of SBCT's products or services; nor to use any of said names, characters, or designs in any other manner (whether or not similar to the uses hereinabove prohibited). This Section 21.1 shall survive the expiration or sooner termination of this Agreement.

# 21.2. SBCT's Promotions.

Except as specifically permitted by SBCT in this Agreement, SCT, by virtue of this Agreement, shall acquire no right to use, and shall not use, the names of "SBCT" or "SBC Telecom, Inc." (either alone or in conjunction with or as a part of any other word, mark or name)

or any fanciful characters or designs of SBCT or any of its related, Affiliated or subsidiary companies, in any advertising, publicity, or promotion; nor to express or imply any endorsement of SCT's products or services; nor to use any of said names, characters, or designs in any other manner whatsoever (whether or not similar to the uses hereinabove prohibited). This Section 21.2 shall survive the expiration or sooner termination of this Agreement.

# 22. <u>COUNTERPARTS</u>.

This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

#### 23. <u>RELATIONSHIP DISCLAIMER</u>.

#### 23.1. Relationship Disclaimer.

The Parties hereby acknowledge that it is not their intention to create between themselves a partnership, joint venture, fiduciary, employment or agency relationship for the purposes of this Agreement, or for any other purpose whatsoever. Accordingly, notwithstanding any expressions or provisions contained herein or in any other document, nothing in this Agreement or in any documents executed or delivered or to be executed or delivered shall be construed or deemed to create, or to express an intent to create, a partnership, joint venture, fiduciary, employment or agency relationship of any kind or nature whatsoever between the Parties hereto.

#### 23.2. Construction of Agreement.

This Agreement has been fully reviewed and negotiated by the Parties hereto and their respective counsel.

#### 24. **DISPUTED AMOUNTS**.

24.1. If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") may withhold payment of the disputed amount ("Disputed Amount"), provided that the withholding party gives written notice within sixty (60) days of its receipt of the invoice including the specified Disputed Amount, the specific items in dispute, and reasons for disputing each item. The Non-Paying Party shall pay when due all undisputed amounts to the Billing Party. Any disputed amount on which payment is withheld pursuant to this paragraph that is later determined to be due and owing to the other party shall be paid with interest at the lower of (i) the rate of one (1) percent per month, or (ii) the maximum rate allowed by law, from the first disputed and determined to not have been owed by the disputing party shall be refunded within fifteen (15) days from the date the dispute is resolved, with interest at the lower of (i) percent per month, or (2) the maximum rate allowed by law from the date said amount was paid.

24.2. If the Parties are unable to resolve the issues related to the Disputed Amounts in the normal course of business within sixty (60) days after delivery to the Billing Party of notice of the Disputed Amounts, each of the Parties shall appoint a designated representative with management responsibility in their Legal and Regulatory Affairs Department or comparable group. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the dispute and negotiate in good faith in an effort to resolve such dispute. The specific format for such discussions will be left to the discretion of the designated representative, however, all reasonable requests for relevant information made by one Party to the other Party shall be honored.

24.3. If the Parties are unable to resolve issues related to the Disputed Amounts within forty-five (45) days after the Parties' appointment of designated representatives, then either Party shall have the right to cause the parties to enter into binding arbitration in accordance with the American Arbitration Association then in effect. The place of arbitration shall be within the State of Florida. The parties shall appoint one (1) arbitrator having at least five (5) years of experience in the telecommunications field. The single arbitrator shall be selected by mutual process of elimination from a list of arbitrators provided by the American Arbitrator and the reasons for such award, with reference to and reliance on relevant law. The Parties shall each be responsible for their own costs in the arbitration and shall share equally in the cost of the arbitrator and any related costs such as meeting space and the like.

24.4. The Parties agree that the arbitrator shall have no power or authority to make awards or issue orders of any kind except as expressly permitted by this Agreement, and in no event shall the arbitrator have the authority to make any award that provides for punitive or exemplary damages, and all awards shall be subject to the limitations of liability contained in the Agreement. The arbitrator's decision shall follow the plain meaning of the relevant documents and shall be final and binding. The award may be confirmed and enforced in any court of competent jurisdiction.

#### 25. EXECUTION.

SBCT and SCT hereby authorize and execute this Agreement.

SBC TELECOM. INC.

By Dand Hermon

Name: David Hammock

Its:	Executive	Dreetor	- Interconnetion Its:
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Date: 2-17-03

# SMART CITY TELECOMMUNICATIONS LLC D/B/A SMART CITY TELECOM

J. Aumalia By:

James T. Schumacher

Name:

Vice President - Finance

15/03 2 Date:

# <u>ATTACHMENT</u> "<u>A</u>" Exchanges

# 1. SBCT Exchanges include:

NPA-NXX End Office CLLI	EO Vert	EO Horz	Serving	Local	Toll
A. 321-299 ORLDFLSA	7969	1028	Orlando	abcdefghi	
B. 321-420 ORLDFLSA	7969	1028	Sanford	-	abcdefghi
C. 321-422 ORLDFLSA	7969	1028	Winter Park	abcdefghi	
D. 321-348 ORLDFLSA	7969	1028	Oviedo	-	abcdefghi

# 2. SCT Exchanges include:

NP	A-NXX	End Office	EO	EO			
		CLLI	Vert	Horz	Serving	Local	Toll
	107 5 60		7000	1041			
a.	40/-560	LKBNFLXBDSO	7998	1041	LBV	AC	BD
b.	407-566	LKBNFLXBDSO	7998	1041	Celebration	AC	BD
c.	407-824	LKBNFLXBDSO	7998	1041	LBV	AC	BD
d.	407-827	LKBNFLXBDSO	7998	1041	LBV	AC	BD
e.	407-828	LKBNFLXBDSO	7998	1041	LBV	AC	BD
f.	407-934	LKBNFLXBDSO	7998	1041	LBV	AC	BD
g.	407-938	LKBNFLXBDSO	7998	1041	LBV	AC	BD
h.	407-939	LKBNFLXBDSO	7998	1041	LBV	AC	BD
i.	321-939	LKBNFLXBDSO	7998	1041	Celebration	AC	BD

# ATTACHMENT "B"

(Arrangement of the Facility Systems To Be Attached)

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