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Matrix Telecom, Inc. d/b/a VarTec Telecom d/b/a Excel Telecommunications P.S.C. No. 10 – Telephone

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Leaf No. 40

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INTRASTATE SWITCHED ACCESS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (CONT'D.)

2.2 Obligations of the Customer (Cont'd.)

2.2.4 Damages to VT Facilities

The Customer shall reimburse VT for damages to VT facilities utilized to provide services under this tariff caused by the negligence or willful act of the Customer or resulting from the Customer's improper use of VT facilities, or due to malfunction of any facilities or equipment provided by any entity other than VT. Nothing in the foregoing provision shall be interpreted to hold one Customer liable for another Customer's actions. Upon reimbursement for damages, VT will cooperate with the Customer in prosecuting a claim against the person causing such damage. The Customer shall be subrogated to the right of recovery by VT for the damages to the extent of such payment.

2.2.5 Claims

The Customer shall defend, indemnify and hold harmless VT from and against any actions, suits, claims and losses or damages, including punitive damages, attorneys fees and court costs by third persons, arising out of the construction, installation, operation, maintenance or removal of the Customer's circuits, facilities or equipment connected to VT's services provided under this tariff including, without limitation, workmen's compensation claims, actions for infringement of copyright and/or unauthorized use of program material, libel and slander actions based on the content of communications transmitted over the Customer's circuits, facilities or equipment, and proceedings to recover taxes, fines or penalties for failure of the Customer to obtain or maintain, in effect, any necessary certificates, permits, licenses or other authority to acquire or operate the services provided under this tariff.

Issued by: Scott Klopack, General Counsel, Irving, Texas, 75039