

FACILITY DECOMMISSIONING AGREEMENT

THIS FACILITY DECOMMISSIONING AGREEMENT ("Agreement"), is made and entered into as of this 3rd day of January, 2002 (the "Effective Date"), between Qwest Corporation ("Qwest") and Covad Communications Company ("Covad") (Qwest and Covad being sometimes hereinafter referred to collectively as the "Parties" and individually as a "Party").

RECITALS

WHEREAS, Qwest, a local incumbent exchange provider, and Covad, a competitive local exchange provider, are parties to a certain interconnection agreement (the "Interconnection Agreement"), executed pursuant to sections 251 and 252 of the Federal Telecommunications Act of 1996 (the "Act"); and

WHEREAS, pursuant to the Interconnection Agreement, Covad has purchased physical and/or virtual collocation and ancillary services from Qwest. Covad now desires to return to Qwest the collocation sites identified in Exhibit A (the "Facilities") attached hereto and incorporated by reference; and

WHEREAS, the Parties voluntarily enter into this Agreement as a final resolution of disputes arising between the Parties regarding the terms and conditions of Covad's return of the Facilities and the financial obligations of each Party with respect to each of the returned Facilities under the Interconnection Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Facility Decommissioning.** In consideration for the Release and Waiver set forth below, Qwest hereby agrees to decommission the Facilities and to waive all fees and charges associated therewith.
2. **Credit/Reimbursement.** In the event that Covad was previously invoiced and paid Qwest for the decommissioning quotes and the monthly recurring charges past the date of acceptance of the valid decommissioning application, Qwest shall make a one-time credit to Covad for the sum of any non-recurring charges paid for the decommissioning and any monthly recurring charges paid by Covad for the returned Facilities (1) between the payment date of the decommissioning quote non-recurring charge and the date the service order was written to discontinue monthly recurring billing for each of the returned Facilities; and (2) between the date Qwest accepted and validated the decommissioning request and the payment date of the decommissioning quote non-recurring charge. This credit amount will be applied, first, to satisfy any outstanding balances owed by Covad to Qwest, if any. If a credit balance remains, Qwest shall provide a one-time credit to Covad to be used to offset future amounts payable to Qwest pursuant to other agreements between the Parties.
3. **Release and Waiver.**
 - (a) For valuable consideration as identified in Sections 1 and 2 above, the Parties hereby release and forever discharge the other and their respective associates, owners, stockholders, predecessors, successors, agents, directors, officers, partners, employees, representatives, employees of affiliates, employees of parents, employees of subsidiaries, affiliates, parents, subsidiaries, insurance carriers, bonding companies and attorneys, from any and all manner of action or actions, causes or causes of action, in law, under statute, or in equity, suits, appeals, petitions, debts, liens, contracts, agreements, promises, liability, claims, affirmative defenses, offsets, demands, damages, losses, costs, claims for restitution, and expenses, of any nature whatsoever, fixed or contingent, known or unknown, past and present asserted or that could have been asserted or could be asserted in any way relating to or arising out of the decommissioning of the returned Facilities or this Agreement (the "Release and Waiver"). The

Parties hereby covenant and warrant that they have not assigned or transferred to any person any claim, or portion of any claim which is released or discharged by this Agreement.

(b) As part of the Release and Waiver described in the previous paragraph, Covad expressly agrees to relinquish forever all rights and interest whatsoever in the returned Facilities and to remove all property it owns from the Facilities within thirty (30) days of the Effective Date of this Agreement at Covad's own expense. Notwithstanding the above, Covad may at any time submit an application for collocation through Qwest's standard ordering process in any of the central offices in which the returned Facilities are located.

(c) In the event Covad fails to remove its equipment from the Facilities as provided above, Qwest may, without notice or demand and in addition to any other right or remedy available at law or equity, remove all of Covad's equipment from the Facility and store the same at Covad's expense. Covad expressly waives any damages occasioned by such removal. Any equipment so removed will be returned to Covad upon payment in full of all storage costs within forty-five (45) days of the removal of the equipment. If within forty-five (45) days following such equipment removal, Covad has not requested the return of its equipment and paid any sums owed, then Qwest may exercise all rights of ownership over such equipment including the right to sell same and retain possession of any sale proceeds. Qwest's exercise of any remedies provided for in this Section 3 shall be without prejudice to any other remedies Qwest may have provided for herein or by law.

4. Confidentiality.

(a) The Parties expressly agree that they will keep the substance of the negotiations and or conditions of the settlement and the terms or substance of this Agreement strictly confidential. The Parties further agree that they will not communicate (orally or in writing) or in any way disclose the substance of negotiations and/or conditions of the settlement and the terms or substance of this Agreement to any person, judicial or administrative agency or body, business, entity or association or anyone else for any reason whatsoever, without the prior express written consent of the other Party unless compelled to do so by law. It is expressly agreed that this confidentiality provision is an essential element of this Agreement. The Parties agree that this Agreement, and the negotiations and all matters related to the Agreement shall be subject to the Rule 408 of the Rules of Evidence, at the federal and state level. The Parties further agree that in the event of a breach of the confidentiality provisions of this Agreement, the harm suffered by the injured Party would not be compensable by monetary damages alone and, accordingly, that the injured Party shall, in addition to other available legal or equitable remedies, be entitled to seek an injunction against such breach.

(b) In the event either Party has a legal obligation which requires disclosure of the terms and conditions of this Agreement, the Party having the obligation shall immediately notify the other Party in writing of the nature, scope and source of such obligation so as to enable the other Party, at its option, to take such action as may be legally permissible so as to protect the confidentiality provided for in this Agreement. The party from whom disclosure is required shall provide as much advance notice to the other Party as is reasonably possible.

5. Binding Arbitration. Any claim, controversy or dispute between the Parties arising out of this Agreement, shall be resolved by private and confidential arbitration conducted by a single arbitrator engaged in the practice of law, under the then current rules of the American Arbitration Association. The Federal Arbitration Act, 9 U.S.C. §§ 1-16, not state law, shall govern the arbitrability of all disputes. The arbitrator shall only have the authority to determine breach of this Agreement, but shall not have the authority to award punitive damages. The arbitrator's decision shall be final and binding and may be entered in any court having jurisdiction thereof. Each Party shall bear its own costs and attorneys' fees

and shall share equally in the fees and expenses of the arbitrator.

6. **Full Settlement.** The Parties acknowledge and agree that legitimate disputes regarding collocation facility decommissioning and the monetary obligations of each of the Parties have been raised and that the resolution reached in this Agreement represents a binding compromise of the Parties' positions. Therefore, the Parties agree that resolution of the issues contained in this Agreement shall be deemed full and complete and, except as provided in Section 5 above, cannot be used to the detriment of either Party.

7. **Governing Law.** This Agreement shall be interpreted and construed in accordance with the laws of the State of Colorado, and shall not be interpreted in favor or against any Party to this Agreement except as expressly provided herein.

8. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cannot be rescinded, amended or modified except in a writing executed by authorized representatives of both Parties. The Parties have entered into this Agreement after conferring with legal counsel. Each of the Parties forever waives all right to assert that this Agreement was a result of a mistake in law or in fact.

9. **Binding Agreement.** The terms and conditions contained in this Agreement shall inure to the benefit of, and be binding upon, the Parties, their respective successors, affiliates and assigns.

10. **Severability.** If any provision of this Agreement should be declared to be unenforceable by any administrative agency, court of law, or other tribunal of competent jurisdiction the remainder of the Agreement shall remain in full force and effect, and shall be binding upon the Parties hereto as if the invalidated provision were not part of this Agreement.

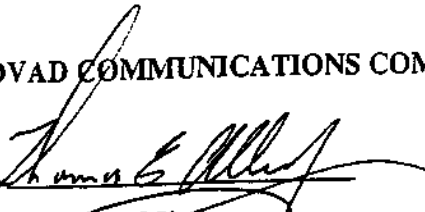
11. **Waiver.** The waiver of any right on one or more occasions by either Party shall not constitute a waiver of any such right in any other instance.

12. **Counterparts.** This Agreement may be executed by facsimile signature (provided it is immediately followed by the original by mail) and in any number of counterparts, each of which would be deemed to be original and all of which taken together shall constitute one and the same agreement.

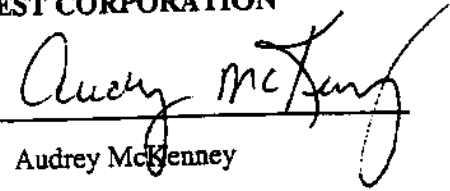

13. **Rules of Construction.** The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement or as amplifying or limiting any of its content. Words in this Agreement which import the singular connotation shall be interpreted as plural, and words which import the plural connotation shall be interpreted as singular, as the identity of the Parties or objects referred to may require. Unless expressly defined herein, words having well known technical or trade meanings shall be so construed. All listing of items shall not be taken to be exclusive, but shall include other items, whether similar or dissimilar to those listed, as the context reasonably requires.

IN WITNESS THEREOF, the Parties have caused this Facility Decommissioning Agreement to be executed as of this 23 day of January, 2002.

COVAD COMMUNICATIONS COMPANY

By: 
Name of Signatory
Title: VP NREC Fed. of Ext. Affairs

QWEST CORPORATION

By: 
Audrey McKenney
Title: Senior Vice President
By: 
Steve Hansen
Title: Vice President

DECOMMISSIONED SITES FOR COVAD
 November 8, 2001
 EXHIBIT A

CLEC Name	Decommissioning BAN	Related BANS	Submit Date	Validation Date	State	11 Character CLLI of Colo	CO Name	Decommission MRCs Paid	MRC Ban#	Monthly Recurring Charge (1)	Actual RFS Date where MRCs not billed (2)	MRCs Credited from MRC Decom Pymt. Date to Svc Odr Date (3)	MRCs Credited from Decom Validation Date to Decom Pymt Date (4)
REDACTED													