

**OKLAHOMA ECONOMIC DEVELOPMENT AGREEMENT**  
**BY AND BETWEEN THE OKLAHOMA DEPARTMENT OF COMMERCE**  
**AND WORLDCOM, INC. D/B/A MCI**

This Economic Development Agreement ("Agreement") is made this 11<sup>th</sup> day of March, 2004 by and between the State of Oklahoma, acting by and through The Oklahoma Department of Commerce (the "ODOC"), and WorldCom, Inc. d/b/a MCI ("MCI" or the "Company") (collectively, the "Parties").

**PREAMBLE**

WHEREAS, on November 6, 1995, MCI and ODOC executed an agreement titled "Oklahoma Quality Jobs Program, Department of Commerce Combination Incentive Offer and Acceptance" (the "Original Jobs Agreement"). A copy of the Original Jobs Agreement is attached hereto as Exhibit A;

WHEREAS, MCI has operated a regional hub in Tulsa, Oklahoma for over ten years and seeks to continue to provide and expand employment in that area;

WHEREAS, the Parties believe it is in their mutual best interest to enter into this Agreement; and

WHEREAS, the Parties desire to supersede the Original Jobs Agreement with a new Economic Development Agreement.

NOW, THEREFORE, the Parties agree as follows:

**1.0 THE ECONOMIC DEVELOPMENT AGREEMENT**

1.1. The Company agrees and expressly acknowledges that it shall use good faith and reasonable commercial efforts to establish within the following time periods the number of "New Jobs" (as defined in paragraph 1.5) set forth below at an average annual wage of \$35,000.00 in the State of Oklahoma:

**CHART A**

(a) Year	(b) New Job Commitments
March 1, 2004- December 31, 2004	160
January 1, 2005- December 31, 2005	160
January 1, 2006- December 31, 2006	160
January 1, 2007- December 31, 2007	160
January 1, 2008- December 31, 2008	160
January 1, 2009- December 31, 2009	160
January 1, 2010- December 31, 2010	160
January 1, 2011- December 31, 2011	160
January 1, 2012- December 31, 2012	160
January 1, 2013- December 31, 2013	160
<b>TOTAL</b>	<b>1,600</b>

1.2. The Parties agree and expressly acknowledge that should MCI be unable to add New Jobs in the amounts set forth above, MCI shall incur "Financial Commitments" of five percent (5%) multiplied by the number of New Jobs not added at a rate of \$35,000.00 per New Job. The calculation of "Cumulative New Jobs Actually Added" shall not ever equal an amount less than zero. Further, the calculation of the Financial Commitments shall not ever equal an amount less than zero. More specifically, the Financial Commitments shall be calculated in accordance with the methodology set forth in Chart B below:

**CHART B**

(a) Year	(b) Cumulative New Job Commitments	(c) Cumulative New Jobs Actually Added	(d) Cumulative Net Job Differential [b-c]	(e) Financial Commitments [5% x \$35,000 x Cumulative Net Job Differential (d)]
March 1, 2004- December 31, 2004	160			
January 1, 2005- December 31, 2005	320			
January 1, 2006- December 31, 2006	480			
January 1, 2007- December 31, 2007	640			
January 1, 2008- December 31, 2008	800			
January 1, 2009- December 31, 2009	960			
January 1, 2010- December 31, 2010	1120			
January 1, 2011- December 31, 2011	1280			
January 1, 2012- December 31, 2012	1440			
January 1, 2013- December 31, 2013	1600			
<b>TOTAL</b>	<b>1,600</b>			

1.3. The Parties agree and expressly acknowledge that for each New Job added by MCI, ODOC shall issue "Credits" of five percent (5%) multiplied by the total annual payroll of such New Jobs. More specifically, this Credits calculation shall be calculated in accordance with the methodology set forth in Chart C below:

**CHART C**

(a)  Year	(b)  Annual New Jobs Payroll Actually Added	(c)  Credits [5% x Annual New Jobs Payroll Actually Added]
March 1, 2004- December 31, 2004		
January 1, 2005- December 31, 2005		
January 1, 2006- December 31, 2006		
January 1, 2007- December 31, 2007		
January 1, 2008- December 31, 2008		
January 1, 2009- December 31, 2009		
January 1, 2010- December 31, 2010		
January 1, 2011- December 31, 2011		
January 1, 2012- December 31, 2012		
January 1, 2013- December 31, 2013		
<b>TOTAL</b>		

1.4. The Parties agree and expressly acknowledge that all Financial Commitments and Credits against such Financial Commitments described above shall be deposited into a "Jobs Credit Bank" at the end of each calendar year of the Agreement. The resulting net amount shall accumulate in the Jobs Credit Bank. If the amount of Financial Commitments exceeds the Credits as of January 1 on any year this Agreement is in effect, MCI shall remit to ODOC such balance no later than March 31 of said year. ODOC shall not be responsible to pay MCI any accrued Credits at any time. All Credits are to be used solely to offset Financial Commitments as they may be accumulated throughout the term of this Agreement. More specifically, this Jobs

Credit Bank balance shall be calculated in accordance with the methodology set forth in Chart D below:

**CHART D**

<b>Year</b>	<b>(a) Financial Commitments [column (e) from CHART B]</b>	<b>(b) Credits [column (c) from CHART C and Jobs Credit Bank balance carried over]</b>	<b>(c) Net Financial Commitments or Net Credits added to Jobs Credit Bank [(a)- (b)]</b>
March 1, 2004- December 31, 2004			
January 1, 2005- December 31, 2005			
January 1, 2006- December 31, 2006			
January 1, 2007- December 31, 2007			
January 1, 2008- December 31, 2008			
January 1, 2009- December 31, 2009			
January 1, 2010- December 31, 2010			
January 1, 2011- December 31, 2011			
January 1, 2012- December 31, 2012			
January 1, 2013- December 31, 2013			
<b>TOTAL</b>			

1.5. New Jobs is defined as all “Qualifying Jobs” in the State of Oklahoma above a baseline level of 1875. Qualifying Jobs means: 1) jobs where at least eighty percent (80%) of the employees work an average of twenty-five hours per week or more and have been offered an approved basic health benefits plan within 180 days of the inception of this Agreement or prior thereto, irrespective of when such employee was hired by MCI; and 2) all contractors who work

an average of twenty-five hours or more per week for MCI, and commence work for MCI after January 1, 2004. Employees provided by unaffiliated companies to perform contract work shall not count as contractors for the purpose of this definition in the event such unaffiliated companies are utilizing these employees in connection with such companies' own quality jobs program with the ODOC. "New Jobs Payroll" means all monies paid annually to all persons holding Qualifying Jobs.

1.6. No later than 60 days after the close of the calendar year for each year that this Agreement is in effect, MCI shall provide documents calculating the amount of Credits which MCI has accumulated or the Financial Commitments incurred for the prior calendar year, as the case may be. ODOC may make reasonable requests for additional documentary support of the calculations provided by MCI within six months of the receipt of the documents described in the prior sentence. MCI shall certify that it reasonably and in good faith believes the calculations to be accurate. As discussed in Section 1.4, MCI shall pay any amounts owing by March 31 of such year.

## **2.0 OTHER TERMS AND CONDITIONS**

2.1. The Parties agree and expressly acknowledge that ODOC's sole and exclusive remedy against MCI for failing to provide New Jobs pursuant to this Agreement shall be payments to ODOC pursuant to the formula described in Section 1 above. If, for example, MCI adds no New Jobs over the ten-year period of this Agreement, MCI's Financial Commitments over that period will total \$15.4 million, as computed pursuant to the formula in Section 1. This would represent ODOC's sole and exclusive remedy should MCI not add any New Jobs.

2.2. The Parties agree that MCI shall be entitled to receive payments under the Original Jobs Agreement for all incentive payments earned through February 29, 2004.

Thereafter, the Original Jobs Agreement shall have no further effect, and no party shall have any further liability to the other under the Original Jobs Agreement; except that, ODOC retains any rights it may have pursuant to 68 O.S.A. § 3609, subject to applicable statutes of limitations. Had the Original Jobs Agreement continued until its previously scheduled termination date of November 6, 2005, the Parties estimate that MCI would have been entitled to payments in the range of \$1.5 million through the date of termination at expected employment levels. MCI agrees to submit documentation to the ODOC no later than December 31, 2005 demonstrating the amounts it would have earned through November 6, 2005 had the Original Jobs Agreement remained in effect. MCI will submit a written statement advising the Oklahoma Tax Commission of the termination of the Original Jobs Agreement no later than thirty days after the execution of this Agreement.

2.3. The Parties agree and expressly acknowledge that in order for this Agreement to become effective, MCI must receive written approval from the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), which is currently administering MCI's continuing bankruptcy proceedings. This Agreement shall be deemed effective eleven days after an Order approving this Agreement is entered by the Bankruptcy Court, assuming said Order is not appealed. In the event said Order is appealed, this Agreement shall become effective upon the effective date of the denial of said appeal or upon the effective date of an Order affirming the Bankruptcy Court's approval of this Agreement.

2.4. This Agreement may be executed in identical faxed counterparts, each of which shall constitute an original and all of which shall constitute one and the same Agreement.

2.5. This Agreement may be modified only by a written document signed by the Parties. No waiver of this Agreement or of any of the promises, obligations, terms, or conditions

hereof shall be valid unless it is written and signed by the Party against whom the waiver is to be enforced.

2.6. Each of the signatories of this Agreement represents and warrants that he/she is authorized to execute this Agreement and bind the Parties.

2.7. The Parties cooperated in the drafting of this Agreement, and in the event that it is determined that any provision herein is ambiguous, that provision shall not be presumptively construed against either Party.

2.8. Any notices under this Agreement shall be served upon the Parties via telecopier and Certified Mail/Restricted Delivery as follows:

Notices to MCI:

**Carol Ann Petren  
Senior Vice President, Deputy General Counsel  
WorldCom, Inc.  
22001 Loudoun County Parkway  
Ashburn, VA 20147**

Notices to ODOC

**General Counsel or  
Deputy General Counsel  
Oklahoma Department of Commerce  
P.O. Box 26980  
Oklahoma City, OK 73126-0980**

2.9 The term "MCI," as used herein, encompasses, without limitation, WorldCom, Inc. d/b/a MCI, and all of its predecessors, successors, assigns, representatives, agents, parents, direct and indirect subsidiaries, affiliates, and other related entities. Should MCI merge or otherwise combine with another entity during the term of the Agreement, any jobs in Oklahoma provided by the entity combining with MCI in place at the date of the merger or combination shall not count as New Jobs. All Qualifying Jobs added by the combined entity after the date of

the merger or combination, however, shall count as New Jobs unless such New Jobs are utilized in any other jobs program conducted through the ODOC.

2.10. The term "ODOC," as used herein, encompasses, without limitation, The Oklahoma Department of Commerce, on behalf of itself and the State of Oklahoma.

2.11. The Parties agree and expressly acknowledge that this Agreement shall not be construed as an admission by MCI of any liability, wrongdoing or responsibility on its part or on the part of its predecessors, successors, assigns, representatives, agents, parents, direct and indirect subsidiaries, affiliates, other related entities, officers, employees, directors, shareholders, partners or assigns. Indeed, MCI expressly denies any such liability, wrongdoing or responsibility.

2.12. This Agreement will be governed and construed according to the laws of the state of Oklahoma.

*[Signatures on the following page]*

IN WITNESS WHEREOF, we have hereunto set our hands and seals as of the date above written.

WORLDCOM, INC. D/B/A MCI

By: \_\_\_\_\_ (Seal)      Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

WITNESSED BY:

\_\_\_\_\_

THE OKLAHOMA DEPARTMENT OF COMMERCE

By: \_\_\_\_\_ (Seal)      Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

WITNESSED BY:

\_\_\_\_\_

IN WITNESS WHEREOF, we have hereunto set our hands and seals as of the date above

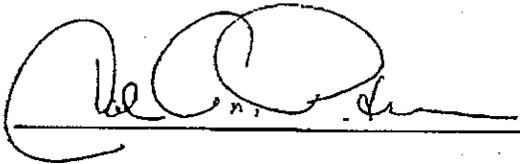
written.

WORLDCOM, INC. D/B/A MCI

By:  (Seal)  
Name: DANIEL L. CASACCIA  
Title: EVP HR

Date: 3.12.04

WITNESSED BY:



THE OKLAHOMA DEPARTMENT OF COMMERCE

By: \_\_\_\_\_ (Seal)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

WITNESSED BY:

\_\_\_\_\_

IN WITNESS WHEREOF, we have hereunto set our hands and seals as of the date above written.

WORLDCOM, INC. D/B/A MCI

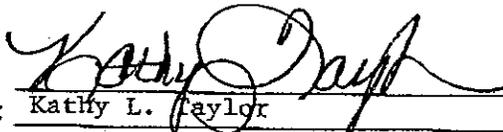
By: \_\_\_\_\_ (Seal)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

WITNESSED BY:

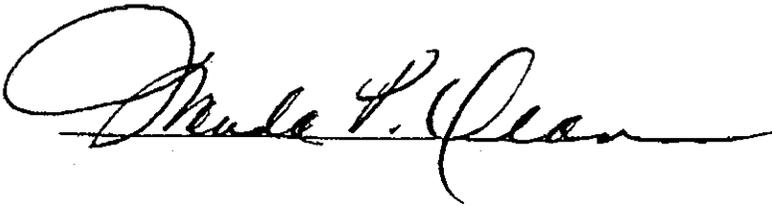
\_\_\_\_\_

THE OKLAHOMA DEPARTMENT OF COMMERCE

By:  (Seal)  
Name: Kathy L. Taylor  
Title: Secretary of Commerce and Tourism

Date: March 11, 2004

WITNESSED BY:



10/12/2000 12:53 485-815-5298

EDOC EXECUTIVE

PAGE 02

**OKLAHOMA QUALITY JOBS PROGRAM  
DEPARTMENT OF COMMERCE  
COMBINATION INCENTIVE OFFER AND ACCEPTANCE**

November 6, 1995

WorldCom, Inc.

(LDDS, F.E.L # 58-1521612)

(WITel Network Services, Inc., F.E.L# 36-3305625)

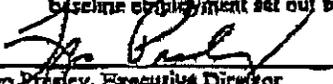
(Digital Communications of America, Inc., F.E.L# 73-1363432)

5929 North Lakewood, Tulsa, Oklahoma 74117



**OFFER**

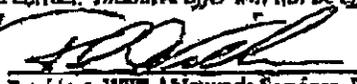
- I. OFFER MUST BE ACCEPTED AND RETURNED WITHIN SIXTY DAYS OF OFFER. Approval date will be the date of certified mail receipt at the Department of Commerce, P.O. Box 26980, Oklahoma City, OK 73126-0980; or, of hand delivery.
- II. DATE OF FIRST INCENTIVE PAYMENT begins the Ten year period for receipt of the total incentive payments
- III. NET BENEFIT RATE. 5.00% (will be multiplied by verified gross quarterly payroll to determine amount of quarterly payments)
- IV. ESTIMATED NET DIRECT STATE BENEFITS: \$38,771,929.00 (which is the maximum your company can receive under the Quality Jobs Program)
- V. By acceptance of this offer WITel Network Services, Inc. agrees to waive any future benefits based upon its currently existing quality jobs program contract, which shall be null and void upon the effective date of this contract, for all purposes except the waiver of certain tax credits set out in 68 O.S. Supp. 1994, § 3607. All employees covered by said prior contract have been included in the baseline employment set out below.

  
 Leo Ptasny, Executive Director  
 Oklahoma Department of Commerce

**ACCEPTANCE AND CERTIFICATION:** Company certifies compliance with all requirements of the Oklahoma Quality Jobs Program Act, including but not limited to:

- 1. Company is a (Manufacturer or Qualified Service Company or Qualified Auxiliary office)
- 2. Company projects annual payroll to meet or exceed \$2.5 Million within 3 years of date of first incentive payment.
- 3. Company projects at least eighty percent (80%) of New Direct jobs will be filled by employees working twenty-five (25) or more hours per week.
- 4. Company will offer an approved basic health benefits plan within 180 days of receipt of first incentive payment to all employees in new direct jobs.
- 5. Company will pay the Department of Commerce a \$500 origination fee at the time it receives its first incentive payment.

I hereby acknowledge that Section 3609 of Title 68 sets out it is unlawful to willfully make a false application or claim under the Quality Jobs Program Act; I hereby certify all representations presented to the Department of Commerce preceding and used in the development of this offer are true and correct. Incentive offer will not be effective until signed by the applicant and returned.

(CORP SEAL)   
 President, WITel Network Services, Inc.  
 (Authorization Attached for all companies)

Thomas F.J. Pipal  
COMPANY CONTACT

DATE: Nov 10 1995 *TKA*

EFFECTIVE DATE OF APPROVAL: Nov 10 1995 *TKA*  
to be completed by the Oklahoma Department of Commerce pursuant to 68 O.S. 1991 SUPP., § 3604 CLAIMS ARE BASED ON PAYROLL FOR JOBS CREATED ABOVE BASELINE EMPLOYMENT ON OR AFTER THIS DATE FOR THE DURATION OF THE PROGRAM.

BASELINE EMPLOYMENT: 1972  
PROJECT START DATE: Nov 10 1995  
Commerce Quality Job Representative and Contact: Tom F. Gray at 918/581-2806

EXHIBIT A  
PAGE 1 OF 4

### Oklahoma Department of Commerce Quality Jobs Program Project Profile & Application

Company Name WorldCom, Inc.  
 Company Contact Tom Pipal Title Mer. of Training & Development  
 Company Address 5929 North Lakewood State OK Zip 74117  
 City Tulsa Fax No. \_\_\_\_\_  
 Company Telephone No. (918) 580-5380  
 FEI # 58-1521612 (LIDS) 36-3305825 (WATel) Corporate Parent WorldCom, Inc.  
 No. of Establishments in Oklahoma including this project: Six  
 Description of Company Products or Services Totally integrated telecommunications company which markets and services long distance services over its own lines, as well as leased lines.  
 Company SIC Code Central Administrative Offices  
 Description of Current Project Current project includes expansion of Oklahoma operations and the consolidation and relocation of out-of-state operations to Oklahoma. The application also anticipates acquisitions now, and in the next three to four years.

**IF COMPANY IS A SERVICE FIRM:**

Projected % of Sales to Out-of-State Customers or Buyers: N/A %  
Source: \_\_\_\_\_

**OKLAHOMA EMPLOYMENT INFORMATION:**

Current Oklahoma Employment Level: 1,478

Last Four (4) Calendar Quarters Employment Figures:

Quarter (most recent)	Year	# Employees
3rd Quarter	1995	1,359
2nd Quarter	1995	1,310
1st Quarter	1995	1,371
4th Quarter	1994	1,320

(Please provide copies for Form OES 2)

Anticipated Project Start Date (Quarter, Year) 4th Q. 1995 Yr.

Anticipated Cumulative AVERAGE New Direct Jobs From Above Project Over 10 Year Period:  
Quarter of the Project (Not CY or FY)

Year	1	2	3	4
1				250
2	500	800	1,150	1,300
3	1,550	1,800	2,050	2,300
4	2,400	2,600	2,800	3,000
5	2,600	2,600	2,600	2,600
6	2,600	2,600	2,600	2,600
7	2,600	2,600	2,600	2,600
8	2,600	2,600	2,600	2,600
9	2,600	2,600	2,600	2,600
10	2,600	2,600	2,600	2,600

In the boxes to the left place the average employment expected for each quarter. You may stop entering data when the project ends its ramp-up.  
OR  
You may use the 1st quarter column to represent the annual average employment level for each year of the project.

(over)

EXHIBIT A  
PAGE 2 OF 4



Average Taxable Wage/Salary Per New Direct Employee In the 3rd Year of the Project (excludes fringe benefits): \$ 31,976.

Will at least eighty percent (80%) of the New Direct Jobs be filled by employees working twenty-five (25) or more hours week for at least 26 of 52 weeks?

Y X N

Estimated percentage of non-Oklahoma workers to be employed for this project 8 %

**Basic Health Benefits Checklist:**

(Please Attach a Copy of Company's Health Benefits Plan)

- |   |            |               |
|---|------------|---------------|
| 1. Is some coverage for basic hospital care provided?                   | Y <u>X</u> | N <u>    </u> |
| 2. Is some coverage for physician care provided?                        | Y <u>X</u> | N <u>    </u> |
| 3. Is some coverage for mental health care provided?                    | Y <u>X</u> | N <u>    </u> |
| 4. Is some coverage for substance abuse treatment provided?             | Y <u>X</u> | N <u>    </u> |
| 5. Is some coverage for prenatal care included?                         | Y <u>X</u> | N <u>    </u> |
| 6. Is some coverage for prescription drugs provided?                    | Y <u>X</u> | N <u>    </u> |
| 7. Does Employer pay at least 50% of cost of premium of employee?       | Y <u>X</u> | N <u>    </u> |
| 8. Will the Health Benefit Plan be offered to all new direct employees? | Y <u>X</u> | N <u>    </u> |

The Company shall pay the Oklahoma Department of Commerce an origination fee of \$500 upon receipt of its first incentive payment.

I have reviewed the attached Preliminary Quality Jobs Project Analysis including attachments and certify that all the information contained in this application is true and correct to the best of my knowledge.

WorldCom, Inc.

Company

[Signature]  
Company Representative

Vice President, Human Resources  
Title

Date: Nov. 6, 1995

[Signature]  
Oklahoma Department of Commerce  
Quality Jobs Representative

Director, Tulsa Division  
Title

Date: Nov 6, 1995

03/12/2004 09:30

EXHIBIT A  
PAGE 4 OF 4

\*\* TOTAL PAGE.06 \*\*