### SECTION 2 - TERMS AND CONDITIONS

# AGREEMENT FOR AT&T LONG DISTANCE INTEREXCHANGE,

# INTERSTATE, AND INTERNATIONAL DATA SERVICES

THANK YOU FOR USING AT&T LONG DISTANCE, SERVICES. THE AT&T LONG DISTANCE SERVICES PROVIDED HEREUNDER ARE SUBJECT TO THESE TERMS AND CONDITIONS AND ANY WRITTEN AGREEMENT. THESE TERMS AND CONDITIONS ALSO APPLY TO INTRASTATE LONG DISTANCE SERVICES IN THE STATES OF ALABAMA, ARKANSAS, COLORADO, DELAWARE, FLORIDA,
GEORGIA, INDIANA, ILLINOIS, IOWA, KANSAS, KENTUCKY, LOUISIANA, MASSACHUSETTS, MAINE, MARYLAND, MICHIGAN, MISSISSIPPI, MONTANA, MISSOURI, NEVADA, NEW HAMPSHIRE NEW JERSEY, MISSISSIPPI, NEVADA, NEW JERSEY, NORTH CAROLINA, NORTH DAKOTA, NEW YORK, OHIO, OKLAHOMA, OREGON, PENNSYLVANIA, SOUTH CAROLINA SOUTH DAKOTA, TENNESSEE, TEXAS, VERMONT, VIRGINIA WASHINGTON, WISCONSIN AND WYOMING. FOR INTRASTATE TERMS AND CONDITIONS THAT VARY FROM THOSE FOUND IN SECTIONS 2.1 THROUGH 2.34, SEE SECTION 2.35.

# IF YOU DO NOT AGREE WITH THESE TERMS AND CONDITIONS, DO NOT USE THE SERVICE AND IMMEDIATELY CONTACT YOUR AT&T CUSTOMER CARE CENTER OR SALES REPRESENTATIVE TO CANCEL SERVICE.

## 2.1 Definitions

Applicant: Any entity or individual who applies for Service under this Guidebook.

**Authorized User:** A person, firm, corporation, or other entity (including Customer) that (a) is authorized by Customer to be connected to and utilize the Company's Services under these terms and conditions or (b) either is authorized by Customer to act as Customer in matters of ordering, changing, or canceling Service or is placed in a position by Customer, either through acts or omissions, to act as Customer in such matters. Such actions by an Authorized User shall be binding on Customer and shall subject Customer to any associated charges.

**Channel or Circuit:** A communications path between two or more points having a standard Bandwidth or Transmission Speed selected by Customer.

Company: SBC Long Distance, LLC d/b/a AT&T Long Distance d/b/a SBC Long Distance

**Customer:** A person or legal entity which subscribes to the Company's Services and thereby assumes responsibility for the payment of charges and compliance with this Guidebook.

Customer('s) Premises: Location(s) designated by Customer where Service is originated/terminated.

**Data Services:** Communication Services designed to allow the transfer of formatted information between points. Data Services include Frame Relay Service, ATM/Cell Relay Service, and Primary Interface-ISDN ("PRI").

End User: The person or legal entity that uses the Service provided by the Company.

FCC: Federal Communications Commission or any successor agency.

### SECTION 2 – TERMS AND CONDITIONS

## 2.1 Definitions (Continued)

Guidebook: The applicable AT&T Long Distance Product Reference and Pricing Guidebook, which contains Service descriptions, service level agreements, and current rates and charges posted on the Internet at: http://www.att.com/servicepublications

Joint User: A corporation, association, partnership, or individual that is permitted to use Customer's Service by agreement between Customer and the Joint User in accordance with these terms and conditions.

Local Access: The Service between Customer's Premises and a Company-designated point of presence ("POP").

Local Access Provider: An entity providing Local Access.

Service(s): Any or all services provided by AT&T Long Distance pursuant to this Guidebook.

TLC: Termination Liability Charge. A charge that applies when Customer cancels Service prior to the expiration date of a term plan agreement for Data Service(s).

Third Party Vendor: A company, entity, or individual, other than the Company, designated by the Company that provides the facilities and/or the equipment required to provide Service(s).

### 2.2 Undertaking of AT&T Long Distance

AT&T Long Distance provides data interexchange telecommunications Services, where authorized, for communications originating and terminating in the United States, or between the United States and international points. Service areas are subject to change. AT&T Long Distance arranges for installation, operation, and maintenance of the Service in accordance with these terms and conditions.

2.3 Limitations on Service

Service is offered subject to the availability of the necessary systems, facilities, and equipment, and where AT&T Long Distance provides Service. AT&T Long Distance may refuse to provide Service to or from a location where the necessary systems, facilities, or equipment are not available. As used herein, the terms "availability" and "available" refer to systems, facilities, and equipment owned by AT&T Long Distance and AT&T Long Distance's current capacity purchased from third party providers. In cases where Service is not currently available, AT&T Long Distance shall not be obligated to provide Service by a particular time or in a particular manner. If the parties cannot agree concerning the provision of currently unavailable Service, either party may cancel Customer's order for such Service. Service descriptions, service level agreements, and rates and charges are available at <a href="http://www.att.com/servicepublications">http://www.att.com/servicepublications</a> or through your AT&T Long Distance account team. Service is subject to the following limitations:

- (A) AT&T Long Distance reserves the right to discontinue or limit Service when necessitated by conditions beyond its control or when Service is used in violation of these terms and conditions or the law.
- (B) AT&T Long Distance does not undertake to transmit messages, but offers its Service when available, and shall not be liable for errors in transmission or for failure to establish connections.

#### SECTION 2 – TERMS AND CONDITIONS

- 2.3 Limitations on Service (continued)
  - (C) AT&T Long Distance reserves the right to refuse to process Third Party Vendor calls when standard validation techniques cannot confirm acceptance.
  - (D) AT&T Long Distance reserves the right to discontinue or limit Service, or to impose requirements, as required, to meet changing regulatory or statutory rules and standards.
  - (E) Service offered by AT&T Long Distance is available only in states where AT&T Long Distance has obtained authority to provide Services.
  - (F) AT&T Long Distance may rely on third parties to provide a portion of the Service. Selection of Third Party Vendors is made by AT&T Long Distance, which reserves the right to change Third Party Vendors at any time.
  - (G) AT&T Long Distance reserves the right to add, change, or delete Services at any time.
  - (H) Data Services offered by AT&T Long Distance begin and end at the network interface. Customer is responsible for provisioning, maintenance, and repair of all Services on the Customer side of the network interface.
  - (I) AT&T Long Distance does not generally provide echo suppression.

(C) (D)

```
(D)
```

- (J) The availability of International Data Services may be limited by certain factors, including but not limited to transmission and atmospheric conditions, the availability of Data Services to or through a foreign country or area.
- (K) For International Data Services, foreign telecommunications administrations may impose certain limitations, prohibitions, or restrictions upon the portion of the end-to-end international service or facilities that they provide. This may limit the ability of Customer or an End User to utilize the Service. Customer or an End User must conform to any limitations, prohibitions, or restrictions imposed by any foreign telecommunications administration.
- (L) AT&T Long Distance's failure to give notice of default or to enforce or insist upon compliance with any of these terms and conditions, or AT&T Long Distance's grant of a waiver of any term or condition herein or of an extension of time for performance will not constitute a permanent waiver of any such term or condition.
- 2.4 Assignment or Transfer

AT&T Long Distance controls all Services provided under these terms and conditions and Customer may not transfer or assign the use of Services without the express consent of AT&T Long Distance. AT&T Long Distance's consent shall be in its sole discretion.

- 2.5 Reserved for future use
- 2.6 Use of Service

Customer may use Service for any lawful purpose. Customer obtains no property right or interest in the use of any specific type of facility, Service, equipment, number, process, or code. All right, title, and interest to such items remain, at all times, solely with AT&T Long Distance. Customer is liable for all obligations under these terms and conditions notwithstanding any sharing or resale of Data Services and regardless of AT&T Long Distance's knowledge thereof.

### SECTION 2 – TERMS AND CONDITIONS

## 2.7 Discontinuance of Service

Service may be cancelled as follows:

- (A) Cancellation by Customer. Customer must provide the Company 35 days advance written notice to cancel Service. Customer will be responsible for payment of all charges for Service until the date specified by Customer through proper notice or until an agreed upon cancellation date. If Customer obtains Service under a term plan agreement, Termination Liability Charges described in such term plan agreement and Section 2.31 below may also apply. In the event of a Service interruption of 35 days or less, Service shall not be subject to cancellation by Customer. Rather, an appropriate percentage of charges for the directly affected Service shall be abated for such Service interruption. In the event of a Service interruption of more than 35 days, either AT&T Long Distance may cancel the affected Service or Customer may cancel the affected Service without liability, other than Customer's liability for payment for the Service provided prior to cancellation.
- (B) Cancellation by AT&T Long Distance. AT&T Long Distance, upon 5 days notice to Customer and in accordance with applicable law, may discontinue Service without incurring liability:
  - .1 When any sum owed AT&T Long Distance is not paid within 30 days after the due date printed on the bill.
  - .2 If there is a reasonable risk that criminal, civil, or administrative proceedings or investigations may be instituted against AT&T Long Distance based on the contents of transmissions.
  - .3 If after three full billing cycles the Service has not been used.
  - .4 When Customer fails to provide assurances of or security for the payment of AT&T Long Distance's charges.

Should such notice be returned due to incorrect, insufficient or fraudulent Customer billing address, Company may discontinue service without notice pursuant to Section 2.7(c)(VII) below.

- (C) Discontinuance of Service. Customer shall be subject to discontinuance of Service without notice:
  - .1 For violations of law.
  - .2 For AT&T Long Distance to comply with any order or request of any governmental authority having jurisdiction over the Service.
  - .3 If Customer's check or draft is returned unpaid for any reason after one collection attempt.
  - .4 For Customer's or End User's misuse or fraudulent or unlawful use of the long distance network.
  - .5 For emergencies.
  - .6 If Company has incorrect, insufficient or fraudulent Customer billing information.
  - .7 If the Service is used by Customer or its End Users in a manner that harasses others or interferes with the use of AT&T Long Distance's Services by other customers.

(D) |

(D)

# 2.8 Cancellation of Application for Service

When Customer or Applicant cancels an order prior to the start of installation of Service or the start of special construction, no charge applies. Where installation has been started prior to cancellation, a cancellation charge equal to the costs incurred by AT&T Long Distance shall apply. Customer or Applicant is also responsible for all costs incurred expressly on its behalf by AT&T Long Distance, including those costs AT&T Long Distance incurred as an agent of Customer or Applicant. If special construction has either begun or has been completed, but Service has not been provided at the time that Customer or Applicant cancels the order, Customer or Applicant is responsible for all construction costs incurred by AT&T Long Distance on its behalf.

2.9 Initial Contract Period

Unless otherwise agreed to, the initial contract period for Service is one year.

2.10 Obtaining Services

Acceptance or use of Service offered by AT&T Long Distance shall be deemed an application for such Service and an agreement by Customer to subscribe to, to use, and to pay for such Service. Customer must provide AT&T Long Distance with whatever authorization(s), proof of identification, and/or other information AT&T Long Distance deems appropriate.

- 2.11 Establishment of Credit and Deposits; Credit Limits
  - (A) AT&T Long Distance reserves the right to require all Customers and/or Applicants to establish, re-establish, and/or maintain creditworthiness at any time and to the satisfaction of AT&T Long Distance. AT&T Long Distance reserves the right to examine the credit record and check the references of Customer or Applicant at any time. If Customer's or Applicant's financial condition is unknown or unacceptable, AT&T Long Distance reserves the right to require a security deposit, which AT&T Long Distance may apply to overdue charges. AT&T Long Distance shall determine the amount of any deposit, in its sole discretion, up to six months' estimated recurring charges. AT&T Long Distance shall pay interest on deposits as required under state law. AT&T Long Distance may review Customer's account to determine whether all amounts due have been paid within these terms and conditions. If Customer's payment history is satisfactory, AT&T Long Distance shall refund the deposit in full within the time prescribed under state law.
  - **(B)** AT&T Long Distance reserves the right to refuse Service to any Applicant who is indebted to AT&T Long Distance for Service(s) previously furnished (whether or not at the same location) until satisfactory payment arrangements have been made for all such indebtedness. AT&T Long Distance further reserves the right to refuse Service to any Applicant who is currently indebted to AT&T Long Distance for Service(s) on another AT&T Long Distance account, until satisfactory payment arrangements have been made for all such indebtedness. AT&T Long Distance may also refuse Service to any Applicant attempting to establish Service for a former Customer who is indebted for previous Service(s), regardless of whether or not the previous Customer was furnished Service at the same location, until satisfactory payment arrangements have been made for the payment of all such prior indebtedness. If Service is established and it is subsequently determined that any of the foregoing conditions exist, AT&T Long Distance may suspend or terminate such Service until satisfactory arrangements have been made for the payment of the prior and/or concurrent indebtedness. AT&T Long Distance reserves the right to discontinue granting any further credit to Customer in the event of Customer's repeated delinquency in payment for Service, fraudulent use of Service, suspension or disconnection of Service, initiation of a proceeding by or against Customer under the U.S. Bankruptcy Code, or any material breach, where not prohibited by federal law, rule or regulation.
  - (C) AT&T Long Distance reserves the right to put Customer on "Credit Hold" status in the event Customer fails to establish, re-establish, and/or maintain creditworthiness at any time to the satisfaction of AT&T Long Distance. While Customer is on "Credit Hold" status, AT&T Long Distance may suspend or cancel the provisioning of any new Service ordered by Customer and refuse to accept any new orders for Service from Customer.

## SECTION 2 - TERMS AND CONDITIONS

# 2.11 Establishment of Credit and Deposits; Credit Limits (Continued)

(A) Credit decisions are based, in whole or in part, on information obtained in a credit report. Customer has the right under the Equal Credit Opportunity Act to receive a statement of reasons for adverse action taken within 60 days of notification. A statement of reasons can be obtained by contacting:

Experian Business Information Services

Attn.: Commercial Relations 600 City Parkway Orange, CA 92868 888-397-3742 or

Dun and Bradstreet Customer Resource Center 899 Eaton Avenue Bethlehem, PA 18025 800-234-3867 or

Equifax Information Services P. O. Box 740256 Atlanta, GA 30374 800-685-1111

or

TransUnion Consumer Solutions P. O. Box 2000 Chester, PA 19022 800-916-8800

The Federal Credit Equal Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the credit applicant has the capacity to enter into a binding contract); because all or part of the credit applicant's income derives from any public assistance program; or because the credit applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

### 2.12 Advance Payments; Credit Card Authorizations

AT&T Long Distance reserves the right to require advance payments from Customer and/or Applicant when, in AT&T Long Distance's sole judgment, Customer and/or Applicant presents an undue risk of nonpayment. Such advance payments may be required instead of, or in addition to, a security deposit, in an amount up to the estimated installation charges plus three months' estimated billings. AT&T Long Distance shall be authorized to apply such advance payments against Service charges incurred by Customer and/or Applicant. AT&T Long Distance shall not pay interest on advance payments, unless specifically required under state law. AT&T Long Distance may alternatively require Customer and/or Applicant to authorize Credit Card billings for advance payments as described below.

# SECTION 2 – TERMS AND CONDITIONS

# 2.13 Payment and Billing

- (A) Customer is responsible for paying for all Services AT&T Long Distance provides to or from Customer's knowledge. Customer is responsible for payment of all charges for Service furnished to Customer, its agents, or End Users. Monthly recurring charges for Service components are billed in advance of Service and reflect the rates in effect as of the date of the invoice. For the purpose of computing partial-month charges, a month is considered to consist of 30 days. Bills are due and payable upon receipt. Customer is liable for any reasonable fees and expenses including attorneys' fees AT&T may also charge Customer a late fee on the overdue charges of \$5.00 or 1.5% per month, whichever is higher. When a AT&T LEC provides the billing function on behalf of AT&T Long Distance, the monthly late charge will be administered according to the applicable AT&T LEC state tariffs, regulations, and/or standard AT&T LEC company billing procedures. In no event will either late charge exceed the highest amount allowed by law. Charges may be assessed for unbilled Service up to two years in arrears, except for fraud, where no limitation applies.
- (B) For Data Services, billing for Monthly Recurring Charges will commence on Customer's due date.
- (C) Where AT&T Long Distance bills Customer for foreign carrier services, all Services will be billed in U.S. Dollars, with the foreign-end's currency converted into U.S. Dollars and adjusted for currency exchange fluctuation.
- (D) AT&T Long Distance may assess a charge of \$25.00 whenever a check or draft presented for payment of Service is not accepted by the institution upon which it was written.
- (E) Credit Card billing and automatic withdrawal from Customer's checking or savings account may be available. If Customer presents an undue risk of nonpayment at any time, AT&T Long Distance may require Customer to pay its bill in cash or the equivalent of cash. With Credit Card billing, charges for Service provided by AT&T Long Distance are billed on Customer's designated and approved Credit Card. Should Customer cancel or change a designated Credit Card for billing, Customer shall promptly inform AT&T Long Distance and designate new information for billing. Charges for Service are billed monthly in accordance with terms and conditions between Customer and Customer's designated Credit Card provider. Call detail will not be included in the Credit Card bill, but will be provided by AT&T Long Distance by separate mailing.
- (F) AT&T Long Distance shall not be required to provide Customer with credits or adjustments beyond the applicable state's Statute of Limitations requirements that apply to the action or omission that created the need for credit or adjustment.

# 2.14 Disputed Bills

Customer may in good faith withhold payment of any disputed charges. A charge is not "disputed" until Customer provides AT&T Long Distance a written explanation of the disputed charge. If AT&T Long Distance determines that the charges are valid, AT&T Long Distance will notify Customer of this resolution of the dispute and Customer must pay all such charges within 10 days.

## 2.15 Changes to Rates, Charges, and Terms and Conditions

AT&T Long Distance may periodically make changes to its rates, charges, terms, and conditions. AT&T Long Distance will provide Customer with at least 30 days advance written notice for rate and charge increases and changes to terms and conditions that adversely affect Customer. Rate and charge decreases and changes to terms and conditions that do not adversely affect Customer will be made without advance notice. Use of Service after changes take effect constitutes acceptance. Notwithstanding the foregoing, no rate increase shall take effect during the remaining term of any term plan agreement described in Section 2.31 below.

# SECTION 2 – TERMS AND CONDITIONS

# 2.16 Tax Exemption Certificate

In order to be granted tax-exempt status, Customer shall provide AT&T Long Distance with copies of all tax exemption certificates and other documentation required by AT&T Long Distance. Customer will be billed for all applicable taxes and will be responsible for their payment until such time as AT&T Long Distance has ceased billing the applicable taxes. AT&T Long Distance is not liable for refunding the amount of the taxes paid by Customer. Customer is responsible for seeking refunds for such taxes from the appropriate taxing authority.

# 2.17 Notices

Any notices provided by AT&T Long Distance are deemed given and effective upon the earlier of (a) actual receipt by Customer, (b) three days after mailing if sent by mail, (c) the day after express overnight delivery, or (d) the day the notice is left at Customer's Premises. Notices will be sent to Customer's last billing address provided to AT&T Long Distance by Customer.

- 2.18 Reserved for future use
- 2.19 Inspection, Testing, and Adjustment
  - (A) Customer or others may not rearrange, move, disconnect, remove, or attempt to repair any AT&T Long Distance-provided facilities, other than by connection or disconnection to any interface means used, except with the written consent of AT&T Long Distance. AT&T Long Distance may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the installation, operation, and/or maintenance of Customer's or AT&T Long Distance's facilities and/or equipment are in compliance with these terms and conditions. Upon reasonable notice, the facilities and/or equipment provided by AT&T Long Distance shall be made available to AT&T Long Distance for such tests and/or adjustments as may be necessary for their maintenance in a condition satisfactory to AT&T Long Distance. No interruption allowance shall be granted for the time such tests and adjustments are made, unless such interruption exceeds 24 hours and an allowance is requested by Customer.
  - (B) When AT&T Long Distance or Third Party Vendor personnel must install, repair, maintain, program, inspect, remove equipment associated with the provision of the Service, or implement changes Customer has ordered, Customer is responsible for arranging access to Customer's Premises at times mutually acceptable to AT&T Long Distance or the Third Party Vendor. An impairment may only be evident at certain times (e.g., a certain hour of the day). In such cases, Customer must make Service available for testing during the same time periods required to correct the trouble condition.

## 2.20 Interconnection

- (A) Customer shall ensure that the facilities and/or equipment provided by Customer are properly interconnected with the facilities or equipment of AT&T Long Distance and comply with applicable regulations of the FCC. If Customer maintains or operates the interconnected facilities or equipment in a manner that results, or may result, in harm to AT&T Long Distance's facilities, equipment, personnel, and/or quality of Service, AT&T Long Distance may, without any liability, disconnect Service until Customer provides protective equipment at Customer's expense.
- (B) Subject to the technical limitations established by AT&T Long Distance, the Service may be interconnected with services or facilities of other authorized communications common carriers and with private systems. Any special interface equipment or facilities necessary to achieve compatibility between AT&T Long Distance-provided equipment and facilities and those of other carriers shall be provided at Customer's expense. AT&T Long Distance or Third Party Vendors may substitute, change, or rearrange any equipment or facility at any time, but shall endeavor to maintain the technical parameters of the Service provided to Customer. In the event that technical parameters change as a result of AT&T Long Distance's actions, AT&T Long Distance will provide Customer 25 days notice prior to such change.

# SECTION 2 – TERMS AND CONDITIONS

# 2.20 Interconnection (Continued)

(C) Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for interconnection. Customer will be responsible for taking all necessary legal steps for interconnecting Customer-provided terminal equipment with the long distance network. Customer must ensure that the signals emitted into the long distance network do not damage AT&T Long Distance-provided equipment, injure personnel, or degrade Service to other users of the long distance network. In addition, Customer must comply with applicable LEC signal power limitations. Customer shall pay AT&T Long Distance amounts equal to the monthly recurring charges that would have been paid had AT&T Long Distance been able to commence or to continue to provide Service, in the event that AT&T Long Distance's ability to commence or to continue to provide Service in a timely manner is delayed or interrupted because of nonperformance by Customer of any obligation set forth in these terms and conditions. In addition to the foregoing, Customer shall pay all charges where AT&T Long Distance incurs costs or expenses caused by or for the benefit of Customer. Customer shall be solely responsible for the overall design of the Service and for any redesign or rearrangement of the Service required due to changes in AT&T Long Distance's facilities, operations, or procedures, minimum security criteria or operating or maintenance characteristics of the facilities.

### 2.21 Taxes and Surcharges

Customer will be responsible for the payment for all Services provided by AT&T Long Distance and for the payment of all excise, sales, use, gross receipts, or other taxes and surcharges. Federal excise tax, and state and local sales, use, and similar taxes and surcharges shall be billed separately from charges for Services. AT&T Long Distance may also impose surcharges on Customer to recover amounts it is required by governmental or quasi-governmental authorities to collect from, or to pay to, others in support of statutory or regulatory programs (e.g., universal service funds). AT&T Long Distance will not provide advance notice of changes to taxes and surcharges, except as required by law.

## 2.22 Local Access Charges

Customer may be subject to Local Access charges from to access AT&T Long Distance's network. Customer may purchase Local Access directly from a Local Access Provider, or may purchase Local Access for interstate services from AT&T Long Distance.

AT&T Long Distance shall not be responsible for any local charges incurred by Customer in gaining access to AT&T Long Distance's network; nor shall AT&T Long Distance be responsible for a Local Access Provider's performance or failure to perform.

Customer purchases Local Access directly from a Local Access Provider. AT&T Long Distance shall coordinate its service installation with Customer's Local Access Provider, but AT&T Long Distance shall not be responsible in any way for ordering, installing, rearranging, or removing Customer's Local Access facilities. Customer shall be solely responsible for any local charges incurred in gaining access to AT&T Long Distance's network.

- (A) Customer purchases Local Access for Interstate Service from AT&T Long Distance. Upon Customer's request and execution and delivery of appropriate authorizing documents, AT&T Long Distance will provide Local Access to Customer for Interstate Service. Untimely installation or non-operation of Customer-provided facilities and equipment hereunder will not reduce Customer's liability for charges. AT&T Long Distance will become the customer-ofrecord with the Local Access Provider. AT&T Long Distance will bill Customer, and Customer shall pay AT&T Long Distance, for Local Access charges associated with Customer's order.
- (B) AT&T Long Distance shall not, in any circumstances, be responsible for a Local Access Provider's performance or failure to perform.

## SECTION 2 – TERMS AND CONDITIONS

# 2.23 AT&T Long Distance's Limitation of Liability

The provisions of this Section do not apply to errors and omissions caused by AT&T Long Distance's willful misconduct, fraudulent conduct, or violations of law:

- (A) Except as provided in Subsection (b) and (g) of this Section, AT&T Long Distance's liability for damages of any nature arising from errors, omissions, or interruptions of AT&T Long Distance, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, changing, moving, or terminating the Service, facilities, or equipment shall not exceed an amount equal to the charges due as set forth in the applicable agreement between AT&T Long Distance and Customer for the billing period(s) during which such error, omission or interruption occurred. In the event an error or omission in the course of establishing, furnishing, rearranging, changing, moving, or terminating the Service, facilities, or equipment is caused by the gross negligence of AT&T Long Distance, the liability of AT&T Long Distance shall be limited to and in no event exceed the sum of \$10,000.
- (B) AT&T Long Distance will not be liable to Customer for damages or statutory penalties or be obligated to make any adjustment, refund, or cancellation of charges, unless Customer has notified AT&T Long Distance in writing of facts sufficient to provide AT&T Long Distance with the reasonable basis of any dispute or claim for damages, within 60 days after an invoice is rendered by AT&T Long Distance giving rise to such dispute or claim
- 2.23 AT&T Long Distance's Limitation of Liability (Continued)
  - (A) IN NO EVENT SHALL AT&T LONG DISTANCE BE LIABLE FOR ANY INCIDENTAL, INDIRECT, PUNITIVE, SPECIAL, OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION DAMAGES RELATED TO LOST REVENUE OR PROFITS, TOLL FRAUD, LOSS OF USE, AND LOSS OF DATA, OR FAILURE TO REALIZE SAVINGS OR BENEFITS ARISING UNDER THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH LOSS. AT&T Long Distance will not be liable for any act or omission by any other company(ies) furnishing a portion of the Service or associated facilities or equipment. If AT&T Long Distance learns of actual or likely unauthorized, fraudulent, or unlawful use of any AT&T Long Distance Service, AT&T Long Distance may suspend Service without notice or liability. AT&T Long Distance will not be liable for any failure of performance due to the use or abuse of Service by Customer including, but is not limited to, any calls placed by means of PBX-reorigination or any other equipment, service, or device.
  - (B) Compensation for any injury Customer suffers due to the fault of third parties must be sought from such third parties. AT&T Long Distance will not be liable for any failure of performance due to any action, such as Blocking or refusal to accept certain calls, that AT&T Long Distance deems necessary in order to prevent unauthorized, fraudulent, or unlawful use of its Service.
  - (C) AT&T Long Distance shall not be liable for interruptions, delays, errors, or defects in transmission, or for any injury caused by Customer, its agents, or End Users, or by facilities or equipment provided by Customer or any Third Party Vendor.
  - (D) AT&T Long Distance's liability, if any, with regard to the delayed installation of facilities or commencement of Service shall not exceed \$1,000. AT&T Long Distance shall have no liability to any person or entity other than Customer for damages of any nature arising from errors, omissions, or interruptions of AT&T Long Distance, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, changing, moving, or terminating the Service, facilities, or equipment and AT&T Long Distance's liability to Customer shall only be as set forth herein.

# SECTION 2 – TERMS AND CONDITIONS

# 2.24 Force Majeure

AT&T Long Distance shall not be liable for any failure of performance hereunder, if such failure is due to any cause or causes beyond AT&T Long Distance's reasonable control. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, terrorism, cable cut, natural disaster, or other similar occurrence, any law order, regulation, direction, action, or request by the U. S. or other government, civil, or military authority, national emergencies, insurrections, riots, wars, labor strife, supplier failures, or preemption of existing Service to restore Service in compliance with FCC Rules. To the extent such an event interferes with AT&T Long Distance's performance, AT&T Long Distance uses all reasonable efforts available to it to avoid such event. If a delaying condition continues more than 45 business days, Customer or AT&T Long Distance may terminate the affected Service(s). This Section shall not operate to excuse the payment of money.

# 2.25 Liability of Customer

Customer shall indemnify, defend, and hold harmless AT&T Long Distance (including the cost of reasonable attorneys' fees) against:

- (A) Claims for libel, slander, infringement of copyright, or unauthorized use of any trademark, trade name, or service mark rising out of the material, data, information, or other content transmitted by Customer, its agents, or End Users over AT&T Long Distance's facilities or equipment.
- (B) Claims for patent infringement arising from combining or connecting AT&T Long Distance's facilities or equipment with facilities, equipment, apparatus, or systems of Customer.
- (C) All other claims (including claims for damage to any business or property, or injury to, or death of, any person) arising out of any negligent or wrongful act or omission of Customer, its agents, End Users, or customers in connection with any Service or facilities or equipment provided by AT&T Long Distance.
- (D) Any and all claims, demands, suits, actions, losses, damages, assessments, or payments asserted against AT&T Long Distance and/or any affiliated or unaffiliated Third Party Vendor or operator of facilities employed in provision of the Service by someone other than Customer (e.g., authorized or unauthorized) who has use of the Service directly or indirectly through Customer.
- (E) Any suits, claims, losses, or damages including punitive damages, attorneys' fees, and court costs arising out of the construction, installation, operation, maintenance, or removal of Customer's Circuits, facilities, or equipment connected to the Services; provided that, if it was AT&T Long Distance that performed such work, only to the extent that it did so in a manner consistent with its obligations under this Guidebook, any relevant agreement or any direction provided by Customer. This includes, without limitation, Worker's Compensation claims, and proceedings to recover taxes, fines, or penalties for failure of Customer to obtain or maintain in effect any necessary certificates, permits, licenses, or other authority to acquire or operate the Services.
- (F) Any violation by Customer, its agents, or End Users of any literary, intellectual property, artistic, dramatic, or musical right, or right of privacy.
- (G) Customer shall reimburse AT&T Long Distance for damages to facilities or AT&T Long Distance-provided equipment caused by the negligence or willful acts of Customer's officers, employees, agents, contractors, and/or users.
- 2.26 Disclaimer of Warranties

EXCEPT AS THESE TERMS AND CONDITIONS EXPRESSLY STATE, AT&T LONG DISTANCE MAKES NO EXPRESS OR IMPLIED WARRANTIES ABOUT ITS SERVICES AND DISCLAIMS THE IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. AT&T LONG DISTANCE DOES NOT AUTHORIZE ANYONE TO MAKE A WARRANTY ON AT&T LONG DISTANCE'S BEHALF AND CUSTOMER MAY NOT RELY ON ANY STATEMENT OF WARRANTY AS A WARRANTY OF AT&T LONG DISTANCE.

# SECTION 2 – TERMS AND CONDITIONS

# 2.27 Dispute Resolution

A party alleging a material breach (the "Moving Party") of these terms and conditions may initiate arbitration by giving the other party a written Arbitration Demand Notice. The parties shall jointly select a single arbitrator who is knowledgeable of the general subject matter. If the parties are unable to agree upon an arbitrator within 30 business days of the Arbitration Demand Notice, the Moving Party may request that the American Arbitration Association ("AAA") appoint an arbitrator within 15 days. Arbitration of the dispute shall commence no later than 90 days after such appointment and shall be conducted in a location agreed by the parties, according to the Commercial Arbitration Rules of the AAA, except as modified herein.

The arbitrator may set time and other limits for the presentation of each party's case, memoranda, and other submissions, and shall issue a written decision supported by law and substantial evidence as promptly as circumstances permit. The arbitrator shall have no authority in excess of the authority of a court having jurisdiction over the matter. Additionally, the arbitrator shall not alter, revoke, or suspend any provision of these terms and conditions.

The arbitration award shall be binding and deemed enforceable in any court of competent jurisdiction. Each party acknowledges that it is giving up judicial rights to a jury trial, discovery, and most grounds for appeal under this Section. Prior to appointing an arbitrator, either party may seek one or more temporary restraining orders ("TROs") in order to preserve and protect the status quo. Neither the request for, nor denial of, such TRO shall be deemed a waiver of the parties' obligation to arbitrate. The arbitrator may dissolve, continue, or modify such TRO, which shall remain in effect until it expires or is dissolved by the arbitrator, whichever occurs first.

No provision of this Section shall limit a party's right to setoff. The exercise of a remedy does not waive the right of arbitration. During dispute resolution proceedings, including arbitration, the parties shall continue to perform their obligations under these terms and conditions, except for obligations directly related to the dispute. Any request for arbitration or for legal action arising in connection with these terms and conditions must begin within 2 years after the cause of action arises. Nothing in this Section shall impair Customer's ability to bring issues concerning Service before the relevant regulatory agency having jurisdiction thereof. This Section shall not apply to residential Customers in the state of California.

### SECTION 2 – TERMS AND CONDITIONS

# 2.28 Credits for Service Outages

No credits or refunds for interruptions of Service shall be made for:

- (A) Interruptions caused by the negligence (including the provision of inaccurate information) or willful misconduct of Customer, its Authorized Users or End Users;
- (B) Interruptions during any period when AT&T Long Distance or its agents are not afforded access to Customer's Premises where Service is originated or terminated;
- (C) Interruptions during any period when Customer has released the Service to AT&T Long Distance for maintenance, rearrangement, or implementation of Customer's Service Order;
- (D) Interruptions during periods when Customer elects not to release the Service for testing or repair and continues to use the Service on an impaired basis;
- (E) Interruptions not reported to AT&T Long Distance;
- (F) Interruptions caused by outages or failures of Local Access provided by a Local Access Provider;
- (G) Failure of power, facilities, equipment, systems, or connections not provided by AT&T Long Distance or an AT&T Long Distance-designated Third Party Vendor;
- (H) A result of scheduled maintenance or testing or troubleshooting; Any cause beyond AT&T Long Distance's control;

(D) (C)

(I) Any interruptions caused by outages or failures of a foreign half-circuit provided by a foreign carrier for International Data Services.

Credit allowances for interruptions of Data Service(s) shall be made upon Customer request. Following the start of Service date, if Customer reports an interruption in Service to AT&T Long Distance's Customer Care Department or other location designated by AT&T Long Distance, Customer shall receive credit(s) applicable to the Service directly affected. An interruption ends when the Service is restored. Interruptions shall be accumulated to the nearest half-hour period. Each interruption is considered separately for the purpose of establishing the credit allowance. A credit for Service Outages is Customer's sole and exclusive remedy for any interruption in Service. For Domestic and National Data Services, the credit for a billing period shall not exceed 25% of the monthly rate for the affected rate element.

## 2.29 Systems Security

If Customer is permitted access to AT&T Long Distance's computer systems and data (hereinafter "Systems") for purposes of managing and maintaining Customer's telecommunications system, Customer agrees:

- (A) To access AT&T Long Distance's Systems only to the extent required by and incident to the administration and management of Customer's telecommunications system.
- (B) Customer may not disclose or use information learned as a consequence of access to AT&T Long Distance's Systems, except as may be directly required to ensure the proper operation of Customer's telecommunications system. Customer must take all reasonable precautions to prevent any other person or entity not having a need to know from acquiring such information.
- (C) Customer shall not in any manner or form disclose, provide, or otherwise make available, in whole or in part, these Systems, any related materials, or any other confidential materials, except to those who have a need to know incident to the operation of Customer's telecommunications system. These Systems remain the property of AT&T Long Distance and may not be copied, reproduced, or otherwise disseminated without the prior written permission of AT&T Long Distance.
- (D) Customer shall take all reasonable precautions to maintain the confidentiality of the Systems.

#### SECTION 2 – TERMS AND CONDITIONS

- 2.30 Reserved for Future Use
- 2.31 Term Plan Agreements
  - (A) For Domestic Data Service, AT&T Long Distance provides term plans pursuant to written agreement at rates commensurate with the length of the term. If rates increase during the term, the rates of the term plan agreement will not be affected during the remaining term. If rates decrease during the term, the new rate would automatically apply to the remainder of the term.
  - (B) For PremierSERV<sup>sm</sup> National Data Service, AT&T Long Distance provides term plans at rates commensurate with the length of the term. If rates increase during the term, the rates of the term plan agreement will not be affected during the remaining term. If rates decrease during the term, the new rate would automatically apply to the remainder of the term.
  - (C) When Customer cancels a term plan after installation of Service, AT&T Long Distance will cancel Customer's Service within 35 days after AT&T Long Distance receives the Customer's written request to cancel Service. If Customer cancels Service after installation but before the expiration date of the term, Customer shall be required to reimburse SBC for 100% of any waived non-recurring charges credits, rebates or promotions, and a Termination Liability Charge ("TLC") applies calculated at 100% of the total monthly recurring charges on the unexpired portion of the term for International Data, Domestic Frame Relay, and Domestic ATM Services; 50% of the total monthly recurring charges on the unexpired portion of the term for PremierSERV<sup>SM</sup> Frame Relay and PremierSERV<sup>SM</sup> ATM Data Services.
  - (D) AT&T Long Distance may waive TLC when Customer commits to a new term plan agreement for the same Circuit for a longer term, upgrades its existing Service to a higher bandwidth of equal or longer term, or upgrades to a newer technology for a term and bandwidth equal or greater than that of the existing Service.

If AT&T Long Distance wishes to cancel a term plan agreement, AT&T Long Distance will provide Customer at least 60 days written notice prior to its expiration date of intent to cancel Service upon the expiration date of the term plan agreement.

(E) For Frame Relay or ATM Service: TLC does not apply if, during the term of an existing term plan agreement that has been in service for at least 12 months, Customer disconnects its existing Frame Relay or ATM Service set forth in Section 5 of this Guidebook and, within 5 business days, signs a contract with an affiliate of AT&T Long Distance for a "like" or new service.

The new contract must:

- .1 cover all of the locations the Customer disconnects,
- .2 with aggregate bandwidth for all locations under the new contract equal or greater to the aggregate bandwidth of all Service(s) disconnected, and
- .3 with a term length equal or greater than is remaining on the disconnected Service with the Company.

(D)

(D) (D)

#### SECTION 2 - TERMS AND CONDITIONS

## 2.31 Term Plan Agreements (continued)

- (F) At the end of the term plan agreement, Customer may order a new term plan, terminate Service by providing AT&T Long Distance with 35 days advance written notice, or if no choice is made, continue Service at the current rate for a grace period not to exceed six months. If at the end of the six-month grace period, Customer does not notify AT&T Long Distance of its intent to cancel Service or sign a new term plan agreement, Service will continue on a month-to-month basis.
- (G) Notwithstanding the foregoing, for International Data Services ordered after August 1, 2004, at the end of the term plan agreement, Customer may order a new term plan, terminate Service by providing Company with 90 days advance written notice, or if no choice is made, continue Service on a month-to-month basis at the then-applicable out-of-term rates, subject to any future rate changes. Any rate change will be effective on the first day after the expiration of the term plan.

(D)

(D)

### 2.32 Joint Use of Service

Service furnished by AT&T Long Distance may be arranged for joint use or authorized use. The Joint User or Authorized User will be permitted to use such Service in the same manner as Customer, but subject to the following conditions.

- (A) Customer must complete and provide to AT&T Long Distance all service agreements and/or other documentation required by AT&T Long Distance to initiate Service.
- (B) One Joint User or Authorized User must be designated as Customer. The designated Customer does not necessarily have to have communications requirements of its own. Customer must specifically name all Joint Users or Authorized Users in the application for Service. Service orders that involve the start, rearrangement, or discontinuance of joint use or authorized use of Service will be accepted by AT&T Long Distance only from Customer and will be subject to all requirements of these terms and conditions.
- (C) All charges for Service will be computed as if the Service were to be billed to one customer. The Joint User or Authorized User designated as Customer will be billed for all components of the Service and will be responsible for all payments to AT&T Long Distance. If Customer fails to pay AT&T Long Distance, each Joint User or Authorized User will be liable to AT&T Long Distance for all charges incurred as a result of its use of AT&T Long Distance's Service. Each Joint User or Authorized User must submit to Customer a letter guaranteeing payment for the Joint User's or Authorized User's portion of all charges billed by AT&T Long Distance to Customer and specifying that the Joint User or Authorized User understands that AT&T Long Distance will receive a copy of the guaranty from Customer. Customer will be responsible for allocating charges to each Joint User or Authorized User.
- (D) Joint use is a billing allocation arrangement and not a resale arrangement. Neither Customer nor any Joint User nor any third party engaged by either of them in connection with a joint use arrangement may mark up Service or otherwise profit from such joint use arrangement.

## SECTION 2 – TERMS AND CONDITIONS

# 2.33 Technical Standards

- (A) AT&T Long Distance's technical standards constitute objectives but in no event shall these be construed as creating any warranty on the part of AT&T Long Distance, except those warranties expressly set forth in the applicable data service agreement.
- (B) Repair efforts will be undertaken upon notification of trouble by network surveillance and performance systems or by Customer's notice of trouble and release of all or part of the Service for testing.
- (C) AT&T Long Distance calculates network availability upon Customer requests. Customer must notify AT&T Long Distance's Customer Care Department or such other location designated by AT&T Long Distance in order to initiate an action to request a determination of whether Service variables were met.
- (D) Notwithstanding the foregoing, at AT&T Long Distance's option, AT&T Long Distance may provide a comparable transmission alternative, e.g. satellite transmission, which shall comply with industry standards.

2.34 Reserved for Future Use



### SECTION 2 – TERMS AND CONDITIONS

2.35 State Specific Terms and Conditions for Intrastate Services

To the extent inconsistent with Sections 2.1 through 2.33, the following rules shall apply in the following states:

INDIANA

- (A) Deposit amounts may be up to twice the estimated average monthly usage.
- (B) A billing error may be adjusted to the known date of error or for a period of eighteen (18) months, whichever period is shorter.
- (C) If after investigation AT&T Long Distance determines that disputed charges are valid, AT&T Long Distance will rebill such charges in the next billing cycle.

## MONTANA

- (A) AT&T Long Distance shall provide 7 days written notice before discontinuing Service and will make reasonable efforts to contact Customer in advance of discontinuing Service.
- (B) However, Services shall be subject to discontinuance without notice for emergencies, unauthorized use, any violation of law or of any of the provisions governing the furnishing of Service under these terms and conditions, or for non-payment by Customer.
- (C) Deposit amounts may be up to twice the estimated average monthly charges.
- (D) In the case of excessive usage, AT&T Long Distance will make a diligent effort to contact Customer before implementing its toll blocking process.
- (E) Charges may be assessed for unbilled Service up to 6 months in arrears, except for fraud, where no limitation applies. If these charges are because of AT&T Long Distance error, Customer will be offered a reasonable payment arrangement.

# NORTH CAROLINA

- (A) AT&T Long Distance shall provide 5 days written notice before discontinuing Service. The notice period begins the day following the mailing of the notice.
- (B) However, Services shall be subject to discontinuance without notice for fraud.
- (C) Deposit amounts may be up to twice the estimated average monthly charges
- (D) An Applicant for residential Service will not be denied Service for failure to pay bills for nonresidential Service.
- (E) AT&T Long Distance will provide 5 days written notice and will diligently try to induce Customer to pay before implementing its toll blocking process.

#### NORTH DAKOTA

- (A) AT&T Long Distance shall provide 10 days written notice before discontinuing Service.
- (B) Deposit amounts may be up to twice the estimated average monthly charges.
- (C) Service to Customer will not be discontinued for failure to pay for a different class of Service.

## SECTION 2 - TERMS AND CONDITIONS

2.35 State Specific Terms and Conditions for Intrastate Services (continued)

OHIO.

- (A) AT&T uses cycle billing. The billing period is one (1) month. Except for fraud, charges may be assessed for unbilled traffic up to two (2) years in arrears.
- (B) Bills are sent to the Customer's current billing address no later than thirty (30) days following the close of billing. For usage sensitive Switched Services, call detail is available with the bill. Payment in full is due by the due date disclosed on the bill which is at least fourteen days after the postmark on the bill.
- (C) AT&T may terminate Service to customer for the listed conditions upon seven (7) days written notice.
- (D) Telecommunications Service Priority System

The provisioning and restoration of Services will be in accordance with the priority system specified in Part 64, Appendix A of the rules and regulations of the Federal Communications Commission.

The TSP System is a service that provides for the priority provisioning and/or restoration of National Security Emergency Preparedness (NSEP) telecommunications services. The TSP system applies only to NSEP services that can be discreetly identified and provides the Company with a guide to the sequence in which services are to be provisioned and/or restored.

The Executive Office of the President is empowered with the authority to receive, evaluate, and process requests for NSEP TSP services. The Executive Office of the President, through the Office of Priority Telecommunications (OPT) as its administrative branch, makes the priority level assignments and issues the TSP authorization code reflecting the priority assignments associated with the Customer's request. The Customer initiates the request for TSP service from the OPT. The Customer then provides the TSP authorization code, in addition to all other details necessary to complete the order, and submits it to the Company for appropriate action.