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SECTION 2 – TERMS AND CONDITIONS

AGREEMENT FOR AT&T LONG DISTANCE INTERSTATE, AND INTERNATIONAL LONG DISTANCE SERVICES (AND FOR INTRASTATE LONG DISTANCE SERVICES IN SOME STATES) INCLUDING CALLING CARD CALLS

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 APPLY TO ALL INTERSTATE AND INTERNATIONAL LONG DISTANCE SERVICES PROVIDED TO CUSTOMERS IN ALL 50 STATES. THESE TERMS AND CONDITIONS ALSO APPLY TO INTRASTATE LONG DISTANCE SERVICES IN THE FOLLOWING STATES, EXCEPT AS NOTED BELOW: ALABAMA, COLORADO (WITH THE EXCEPTION OF NON-OPTIONAL OPERATOR SERVICES), FLORIDA, GEORGIA, INDIANA, IOWA, MAINE, MICHIGAN, KENTUCKY, LOUSIANA, MISSISSIPPI, MONTANA, NEVADA, NEW HAMPSHIRE, NEW JERSEY, NORTH CAROLINA, NORTH DAKOTA, OHIO, OREGON, PENNSYLVANIA, SOUTH CAROLINA, SOUTH DAKOTA, TENNESSEE, VERMONT, VIRGINIA, WASHINGTON, WISCONSIN, AND WYOMING. SEE ALSO SECTION 2.34 FOR STATE-SPECIFIC TERMS AND CONDITIONS THAT MAY VARY FROM THOSE FOUND IN SECTIONS 2.1 THROUGH 2.33 OF THIS GUIDEBOOK.

FOR RESIDENTIAL CUSTOMERS WHOSE SERVICES ARE GOVERNED BY THE RESIDENTIAL SERVICE AGREEMENT, AVAILABLE AT http://www.att.com/servicepublications) ONLY THE SECTIONS OF THIS GUIDEBOOK LISTED BELOW APPLY:

- Section 2.1 through Section 2.2
- Section 2.9
- Section 2.13(a), (b), (c), and (e)
- Section 2.18
- Section 2.28 through 2.33
- Section 2.34 (as applicable to individual states referred to therein)

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

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SECTION 2 – TERMS AND CONDITIONS

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.

Blocking: A temporary condition that may be initiated so that Customer cannot complete a telephone call.

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. **Dedicated Access:** Service utilizing a non-switched connection from Customer's Premises to the point of presence ("POP") selected by the Company for origination and or termination of calls. When the Dedicated Access is used for overlayed Switched Services, the Dedicated Access is referred to as a Dedicated Voice Access line. When Dedicated Access is used to provide Data Services, the Dedicated Access is referred to as the local loop.

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

FCC: Federal Communications Commission or any successor agency.

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: www.att.com/guidebook

LEC: Local Exchange Carrier.

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.

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).

Wholesale Private Line Customer: A person or entity who subscribes to the Company's Private Line Services for the sole purpose of providing resell products to its end-user Customer.

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2.2 Undertaking of AT&T Long Distance

AT&T Long Distance provides voice interexchange telecommunications Services, where authorized and where necessary arrangements exist with other providers, 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 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.
- (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 refuse to process Third Party Vendor calls when authorization cannot be validated.
- (e) 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.
- (f) Service offered by AT&T Long Distance is available only in states where AT&T Long Distance has obtained authority to provide Services.
- (g) 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.
- (h) AT&T Long Distance reserves the right to change Third Party Vendors at any time.
- (i) AT&T Long Distance does not offer 101XXXX dialing. Except for Operator Toll Assistance Service and Directory Assistance Service, the Applicant or Customer must affirmatively select AT&T Long Distance as the long distance service provider to receive Service from AT&T Long Distance.
- (j) AT&T Long Distance does not generally provide echo suppression. For Services that require Dedicated Access to reach the long distance network, AT&T Long Distance will determine, in its sole discretion, when echo suppression will be provided.
- (k) 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.

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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 Customer Access

Except as stated otherwise in these terms and conditions, Customer may access AT&T Long Distance's network as follows: If Customer's access line is pre-subscribed to AT&T Long Distance, Customer dials 1, plus the area code, plus the seven-digit number.

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. Recording of telephone conversations on the Service provided by AT&T Long Distance under these terms and conditions is prohibited, except as authorized by applicable federal, state, and local laws.

2.7 Discontinuance of Service

Service may be cancelled as follows:

- (a) Cancellation by Customer. Customer will be responsible for payment of all charges for Service until a PIC change occurs, until a date specified by Customer through proper notice, or until an agreed upon cancellation date, if applicable. If Customer obtains Service under a term plan agreement, early termination charges may also apply.
- (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:
- (c) When any sum owed AT&T Long Distance is not paid within 30 days after the due date printed on the bill.
 - (I) 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.
 - (II) If after three full billing cycles the Service has not been used.
 - (III) 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.

- (I) For violations of law.
- (II) For AT&T Long Distance to comply with any order or request of any governmental authority having jurisdiction over the Service.
- (III) For unauthorized or unlawful use of calling card numbers and authorization codes. These numbers and codes are issued by AT&T Long Distance to Customer and may not be sold or otherwise distributed without written consent of AT&T Long Distance.

SECTION 2 – TERMS AND CONDITIONS

2.7 Discontinuance of Service (continued)

(d) Discontinuance of Service. Customer shall be subject to discontinuance of Service without notice:

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- (IV) If Customer's check or draft is returned unpaid for any reason after one collection attempt.
- (V) For Customer's or End User's misuse or fraudulent or unlawful use of the long distance network. As used herein, the term "misuse" means, with respect to consumer or residential Service, use of the Service for non-standard residential or non-residential purposes, including but not limited to commercial or broadcast facsimile, resale, telemarketing, permanent or semi-permanent Internet connections, and autodialing.
- (VI) For emergencies.
- (VII) If Company has incorrect, insufficient or fraudulent Customer billing information.
- (VIII) 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.

When Customer has authorized AT&T Long Distance as its agent for ordering Dedicated/Local Access, AT&T Long Distance will also request the disconnection of Dedicated/Local Access in connection with the discontinuance of AT&T Long Distance's Service.

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, but not greater than the charge for the minimum period of Service 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 month. Thereafter, contract periods shall be for successive one-month periods.

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. These terms and conditions and AT&T Long Distance's applicable rates apply to calls made with AT&T Long Distance using a calling card issued by a LEC. Service descriptions, service level agreements, and current rates and charges are available at: www.att.com/guidebook

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SECTION 2 – TERMS AND CONDITIONS

2.11 Establishment of Credit and Deposits; Toll Restriction; 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 three months' estimated usage. 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 may regularly review Customer's toll usage in order to protect itself from fraudulent or excessive usage by high-risk Customers or Customers who are delinquent in their payments. When AT&T Long Distance determines that the usage volume increases the likelihood that Customer will not pay or will be unable to pay for usage, AT&T Long Distance may implement its toll blocking process. Pursuant to that process, AT&T Long Distance may place a restriction on or discontinue Customer's use of domestic and/or international long distance Services, including Calling Card use, 1+, 0+, and/or all 900/976/700/500 calls until Customer makes payment arrangements satisfactory to AT&T Long Distance. Access to local calling, operator-assisted calls, emergency services (9-1-1), 800 and 888 calls will not be affected. In the event that toll access is restricted or blocked pursuant to the foregoing, Customers attempting to access restricted Services will be automatically routed to either a recorded announcement or a service representative for information regarding restoration of Service. This process allows AT&T Long Distance to reasonably limit the amount of toll usage Customer may accumulate.
- (D) AT&T Long Distance may establish credit limits for new and existing Customers. Where a credit limit is established for Customer, Customer will be notified of his/her initial credit limit amount and any subsequent credit limit changes, only if lower than AT&T Long Distance's standard credit limit. AT&T Long Distance reserves the right to refuse to furnish a calling card to any Customer or Applicant AT&T Long Distance deems high-risk. Where Customer becomes delinquent in payments, a new credit limit may be established that is lower than Customer's initial credit limit. In the event Customer's established credit limit is exceeded, or in the event Customer becomes delinquent in his/her payments, AT&T Long Distance may implement its toll blocking process, as described above. AT&T Long Distance shall provide notice of adverse action regarding credit limits in accordance with federal and/or state laws and/or regulations.

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SECTION 2 – TERMS AND CONDITIONS

2.11 Establishment of Credit and Deposits; Toll Restriction; Credit Limits (continued)

- (E) In addition to Blocking, 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.
- (F) 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 Dun and Bradstreet **Customer Resource Center** 899 Eaton Avenue Bethlehem, PA 18025 800-234-3867 **Equifax Information Services** P.O. Box 740256 Atlanta, GA 30374 800-685-1111 **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.

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SECTION 2 – TERMS AND CONDITIONS

2.13 Payment and Billing

- (a) 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. Monthly recurring charges continue to accrue during any suspension of Service until Service is disconnected. For the purpose of computing partial-month charges, a month is considered to consist of 30 days. AT&T Long Distance will bill calls in whole minute increments, unless otherwise stated in the Service description of Customer's calling plan. Partial minutes are rounded up to the next whole minute. If the charge for a call includes a fraction of a cent of \$.005 or more, the fraction of such charge is rounded up to the next higher whole cent. Otherwise, the charge is rounded down to the next lower whole cent. Rounding for charges for Service(s) is on a call-by-call basis.
- (b) Bills are due and payable upon receipt. Customer is liable for any reasonable fees and expenses including attorneys' fees AT&T Long Distance incurs in the collection of charges owed to AT&T Long Distance. AT&T Long Distance 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.
- (c) 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.
- (d) 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.
- (e) Customers that are direct-billed (as opposed to a shared-bill from a LEC or CLEC) must provide AT&T Long Distance updated information within 15 days of a change in billing address and/or contact information. If Customer fails to provide such updated information promptly, AT&T Long Distance reserves the right to terminate Service on 5 days oral or written notice to Customer's last known address or contact number.
- (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.

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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, Terms, and Conditions

Except as otherwise provided in a written agreement, AT&T Long Distance may periodically make changes to its rates, charges, terms, and conditions. AT&T Long Distance will provide Customers with at least 30 days advance written notice for rate and charge increases and for changes to terms and conditions that adversely affect Customer. Rate and charge decreases, quarterly changes to the International Mobile Termination Charges (IMTC), 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.

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 Lost or Stolen Calling Card or PIN

Customer shall give notice to AT&T Long Distance of unauthorized use of Customer's calling card(s) and/or PIN(s) upon knowledge of facts that would alert a reasonable person to the possibility of unauthorized use of Customer's calling card(s) or PIN(s). Upon receipt of notice, AT&T Long Distance may deactivate the PIN(s) associated with the card(s). If requested by Customer, a new calling card and PIN may be issued to Customer. Customer will be excused from liability only with respect to unauthorized calls placed after receipt of such notice by AT&T Long Distance.

2.19 Inspection, Testing, and Adjustment

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.

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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.
- (C) 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.
- (d) 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 indemnify and hold AT&T Long Distance harmless against any and all liabilities, costs, damages, and expenses resulting from claims by third parties that Customer's calling card or PIN has been lost, stolen, or fraudulently issued or used. 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 non-performance by Customer of any obligation set forth in these terms and conditions.

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

In certain instances, Customer may be subject to LEC access charges or message unit charges to access AT&T Long Distance's network or to terminate calls. AT&T Long Distance shall not be responsible for any such 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. AT&T Long Distance may order such Local Access and pass through any such charges.

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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.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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.

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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 will be excused from performance during the period of such interference, provided that 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.

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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.

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.

2.28 Assignment of Toll Free Telephone Numbers

In accepting Customer's or Applicant's request for a particular AT&T Long Distance Toll FreeSM Service ("TFS") number, AT&T Long Distance shall accommodate such request to the extent possible in administering the assignment of 800 numbers on a nationwide basis, in accordance with procedures established by AT&T Long Distance. No guarantee of the assignment of a particular TFS number shall be made prior to the initiation of Service. AT&T Long Distance shall not be liable for any costs incurred by Customer or Applicant prior to Service if the requested number is not secured. If Customer's or Applicant's TFS number is not used by callers other than for test calls within 90 days of activation of the TFS number or any subsequent period of three full billing cycles, AT&T Long Distance may, upon written notice, release the TFS number without liability. Test calling does not constitute use.

2.29 Prohibition of Resale

Except as explicitly authorized in a written agreement, the Service provided hereunder shall not be resold or provided to third parties.

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2.30 International Mobile Termination Charge

International calls terminating to either wireless communications devices, including but not limited to cellular phones, mobile phones, pagers, personal computers and personal digital assistants, or to a portable telephone number where a forwarding, tracking or other type of location service was used.. These fees also apply to ranges of telephone numbers for special services as designated by the foreign telephone administration; such special services may or may not be wireless, and they may be for adult entertainment purposes. Many telecommunications companies outside of the United States impose substantial fees to complete these telephone calls. In order to recover these fess, a mobile termination charges (IMTC) will be applied. The charge amount varies by country.

The International Mobile Termination per minute charges applies to (1) International Direct-Dialed outbound calls; (2) fully automated, operator assisted, and operator dialed calling card calls billed to the Proprietary Calling Card or a LEC card; and (3) operator assisted dialed calls billed to other than a calling card.

2.31 Predictive Dialers

Except as explicitly authorized in a written agreement, the use of autodialers, predictive dialers or other devices that generate automated outbound calls in conjunction with the products and services provided by AT&T Long Distance is strictly prohibited. AT&T Long Distance may block and/or terminate service immediately should Customer use such devices.

2.32 Unused Calling Cards – Effective January 12, 2007

Any Company Calling Card that has not been used or is no longer used for any continuous 18 month period will be considered abandoned by Company. The Company may, at its sole discretion, deactivate any abandoned Calling Card(s) without further customer notice.

2.33 American Recovery and Reinvestment Act (ARRA)

Under certain circumstances, funds provided under the ARRA of 2009 may be subject to certain restrictions, requirements and reporting obligations. AT&T may be subject to some of these restrictions, requirements and reporting obligations when Services and Service Components are purchased with ARRA funds. In order to comply with the restrictions, requirements and reporting obligations associated with the use of ARRA funds (if any), AT&T must be apprised of them before provisioning the Services or Service Components. Accordingly, the Services and Service Components provided under this Guidebook shall not be used to support the performance of any portion of a project or program which has been funded in whole or in part with grants, loans or payments made pursuant to the ARRA, without the prior written agreement of AT&T and Customer regarding any specifically applicable terms, conditions and requirements. Customer shall provide AT&T with prior written notice before placing any order that may be funded in whole or in part with ARRA funds. If Customer fails to provide such prior written notice of ARRA funding; or if the parties cannot agree on the terms and conditions (if any) applicable to an ARRA funded order; or if any terms, conditions or requirements (other than those to which AT&T specifically agrees in such separate writing) are found to be applicable, then AT&T may, in its sole discretion, reject such order or immediately terminate provision of any affected Service or Service Component without further liability or obligation.

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SECTION 2 – TERMS AND CONDITIONS

2.34 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:

ALABAMA

Pursuant to Rule 15 of the General Rules Of The Alabama Public Service Commission and Rule 5 (C)(5) of the Telephone Rules Of The Alabama Public Service Commission, adjustments for inaccuracies in billing will be limited to the most recent thirty-six (36) month period. In the event the inaccuracy results in the Customer having underpaid for Service, no backbilling will be allowed without immediate written notification to the Customer by the Company at the time of discovery by the Company. Such notice will inform the Customer that the Customer will be given the option of repayment of amount due in monthly installment equal to the period of said underbilling, or by any other mutually agreeable arrangement, except in cases of proven tampering and/or unauthorized use.

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.

NEW HAMPSHIRE

Rates and charges for intrastate long distance services are governed by tariffs filed with the New Hampshire Public Utilities Commission, which are also available online at http://www.att.com/servicepublications. In addition, the tariffs contain brief descriptions of available intrastate services. For full service descriptions, see service descriptions for the corresponding interstate services in section 3 of this Guidebook.

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

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 non-residential 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.

2.34 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.

VERMONT

(a) The Company uses cycle billing. The billing period is one (1) month. Except for fraud, charges may be assessed for unbilled traffic up to three (3) months in arrears.