

**SERVICE AGREEMENT
for
RESIDENTIAL SERVICES in FLORIDA**

Applies to Services Purchased on or after July 1, 2006

Thank You for subscribing to Services provided by AT&T Long Distance Service. This Agreement describes the terms and conditions that will apply to the relationship between AT&T Long Distance Service and You with respect to Services (as defined in Section 1.c below) to which You subscribe from AT&T Long Distance Service. This Agreement will supersede any prior agreement of terms governing Services to which You Previously subscribed from AT&T Long Distance Service. Please read these terms and conditions carefully and keep a copy for Your records.

Except as provided in this paragraph, Your subscription to, use of, or payment for Services will constitute Your agreement to be bound by the charges, terms, and conditions set forth in this Agreement and in the AT&T Long Distance Service Pricing and Service Guides. If You do not so agree, do not use the Services and cancel the Services within thirty (30) days after receipt of this Agreement by calling the number on Your AT&T Long Distance Service bill or by calling Your local service provider. In the event You cancel Your Services as provided in this paragraph, You will not be responsible for the pro rata portion of any monthly recurring charges after the effective date of cancellation. You will be responsible for all usage charges and the pro rata portion of monthly recurring charges incurred prior to cancellation.

THIS AGREEMENT REQUIRES THE USE OF ARBITRATION AND WAIVES ANY RIGHT TO TRIAL BY JURY TO RESOLVE CERTAIN DISPUTES AND OTHERWISE LIMITS THE REMEDIES AVAILABLE TO YOU IN THE EVENT OF A DISPUTE. PLEASE READ SECTIONS 6 AND 8, BELOW.

This Agreement incorporates by reference material terms and other documents found in our AT&T Long Distance Service Pricing and Service Guides, described in Section 1.d below.

1. DEFINITIONS USED IN THIS AGREEMENT

- a. "Agreement" means the terms and conditions set forth herein in this AT&T Long Distance Service Service Agreement for Residential Services and in the AT&T Long Distance Service Pricing and Service Guides, which together constitute an agreement between AT&T Long Distance Service and the AT&T Long Distance Service Customer ("Customer," "Subscriber," "You" or "Your") for the provision of Services as defined herein. Unless expressly stated otherwise, these terms and conditions also apply to Customers who have entered into a separate contract for Services for a specified time period; provided, however, in the event of a conflict between the terms in the separate contract and the terms in this Agreement, the terms in the separate contract shall control with respect to Services subject to that contract. This Agreement does not cover any products or services that are provided pursuant to another agreement, such as the BellSouth® Internet Service – Service Agreement, the BellSouth Service Agreement for Residential Services (covering local services), the AT&T Long Distance Service Agreement for Business Customers, and the Cingular Wireless Service Agreement.
- b. "AT&T Long Distance Service," "we," "our" and "us" mean AT&T Long Distance Service, any agents of AT&T Long Distance Service, including any billing agents, and any affiliate of AT&T Long Distance Service to the extent that such affiliate provides Services under this Agreement.
- c. "Service" or "Services" means the AT&T Long Distance Service state-to-state telecommunications services for which You subscribe, use, or pay. To the extent permitted or required by law, and where this Agreement's provisions relating to these Services are not in conflict with applicable tariffs filed with the state or federal agencies, this Agreement also covers our intrastate services. This Agreement also applies to our dial-around services and to our

international services. This Agreement does not cover any other tariffed services. The Services described in this Agreement are subject to billing availability and may not be available in all areas or to customers of all local service providers.

- d. "AT&T Long Distance Service Pricing and Service Guides" means those documents that contain the specific Service descriptions, charges, or other terms and conditions applicable to a Service or Services, which may be in addition to those set forth herein, and which are subject to and incorporated by reference into this Agreement as if more fully set out. You can review the AT&T Long Distance Service Pricing and Service Guides on our Website at www.bellsouth.com/longdistance or request a copy of such documents by calling AT&T Long Distance Service at 1-866-248-3443.* In the event of a conflict between the terms and conditions of this document and the terms and conditions of the AT&T Long Distance Service Pricing and Service Guides, the terms and conditions of this document shall control. **You agree that it is impractical to list in this document all of the Service descriptions, charges, and other terms and conditions applicable to all Services governed by this Agreement and that providing such information on the Website and making it available on request are reasonable means of notice and incorporation of those terms.**

2. CHARGES AND PAYMENT

- a. Prices, Charges & Service Credits. You agree to pay us for the Services at the prices and charges listed in information we have sent to You with this Agreement or separately, or as otherwise provided in the AT&T Long Distance Service Pricing and Service Guides at www.bellsouth.com/longdistance, less any applicable promotional discounts or rewards. You also agree to pay, if applicable, any connection charges, usage charges, monthly fees, monthly minimums, Carrier Cost Recovery Fees or other fees, surcharges for international calls that terminate to a number defined as a wireless communication service and for payphone originated calls, and taxes and other government imposed or permitted charges, including, but not limited to, charges related to the Universal Service Fund. You agree to pay all taxes, surcharges, assessments, and other fees that are related to the Service and included on Your invoice or bill, unless You are exempt from these payments and can provide documentary evidence of such exemption. Taxes and government surcharges will be in the amounts that federal, state, and local authorities require or permit us to bill You.

The prices and charges for a particular Service may depend on various factors including the length of a call, the time of day when a call is placed, the day of the week when a call is placed, and the distance called. The type of Service used to make the call and the Service calling plan You select may also affect the price and the charge. These factors, including calling plans and Service types can be found in the AT&T Long Distance Service Pricing and Service Guides. You may also obtain rate information and dialing instructions for long distance calls that are completed with the assistance of BellSouth automated or live operator services by dialing "00". Calling card rates, if applicable may depend on whether AT&T Long Distance Service is Your pre-selected carrier. Any mathematical error made by AT&T Long Distance Service or any of our representatives does not constitute an offer and thus may be corrected or modified by AT&T Long Distance Service. When purchasing usage-based Services, You may receive a usage allowance included in the monthly recurring rate. You may be charged a per use rate for each use above the monthly allowance, if any. When purchasing a flat rate Service, You will be billed a recurring monthly rate regardless of amount of usage of the Service. All minutes included in flat rate monthly service charges, including in those plans which provide a specified number of minutes of long distance usage, are assumed to be consumed and utilized during any given billing month.

Monthly service charges will continue to accrue on accounts where You are billed by us on a local exchange company bill and You have had a disruption in local service due to a suspension for non-payment.

If You choose a billed-to-number (BTN) Service option, where available, the calling plan or basic rate service You select for the main BTN account, and its applicable price and terms, will apply to all accounts that are billed to the main BTN account, regardless of the calling plan or basic rate service originally selected for such individual accounts. If You terminate the main BTN account or if the BTN is a miscellaneous account number, the terms and conditions applicable to each individual account will be those that apply to the calling plan or basic rate service originally selected for each of the individual accounts.

Subject to the termination right set forth in the introductory section of this Agreement, if You cancel the Service prior to the completed installation of the Service, but after the transmission of an order, You agree to pay all reasonable costs incurred by us in implementation of the Service, as if the implementation of the order had been completed.

You are responsible for preventing any unauthorized use of the Services, and You are solely responsible for making payment to AT&T Long Distance Service for any charges resulting from such unauthorized use. If there is an interruption or failure of Services caused solely by AT&T Long Distance Service and not by You, a third party or some other causes beyond our reasonable control, You may be entitled to a Service credit.

b. Price Changes. We reserve the right to revise the prices and charges for our Services from time to time. Changes may be made as follows:

- Price decreases may be made without further notice to You.
- Promotional pricing and terms will expire in accordance with the terms applicable to each promotion, without further notice to You.
- We will give You written notice of all other price increases at least fifteen (15) days before the increase goes into effect. If You live in a state that requires a notice period of more than fifteen days, we will comply with the notice requirement in Your state. Notice may be provided in a bill insert, as a message printed in or on Your AT&T Long Distance Service bill, in a separate mailing, by e-mail, or by any other reasonable method at our discretion. If You do not cancel Your Services within the notice period, the price increase will become effective on the date provided in the notice. We also reserve the right to modify the terms and conditions for the provision and/or the operation of a Service at any time as provided in Section 10, below. If You do not accept the modified rates, charges or terms and conditions of the Agreement, or the modified operation of the Service, You must terminate the Service and/or this Agreement before the changes become effective per the terms of this Agreement. **YOUR SOLE REMEDY FOR ANY CHANGES MADE BY US IS YOUR RIGHT TO CANCEL THE AFFECTED SERVICE OR TERMINATE THIS AGREEMENT.**
- In the event You notify us that You would like to switch from the AT&T Long Distance Service Residential basic rate plan to any of our calling plans, or if You decide to switch from one calling plan to another, we will provide written notice to You of Your new rates either by bill message, bill insert or some other form of written notice. If You change from a calling plan to the basic rate plan, written confirmation may not be provided to You.
- Unless required by law, we will not provide advance notice of changes to taxes and surcharges applicable to the Services.
- Current prices and charges for the following Service call types are also available at Your request from our operators by dialing “00” when You make the call, or when You receive a collect call, or when You are asked to assume responsibility for payment of a call billed to a third party: Operator-assisted calls, calling card calls, collect calls, person-to-person calls,

calls made with a commercial credit card or local phone company calling card, and calls billed to a third party.

c. **Payments.** You must pay Your Service bill on time, no later than the due date specified on Your bill. Bills must be paid in U.S. dollars. All amounts due to AT&T Long Distance Service under this Agreement, including any sales, use or similar taxes, fees and charges will be invoiced on Your monthly AT&T Long Distance Service bill. If You provide us with a valid credit, charge or debit card number that we accept for payment of some or all of the charges, then You expressly authorize us to satisfy and pay all such charges by charging that credit or debit card number and to demand immediate payment from the credit, charge or debit card issuer. You agree to pay the credit, charge or debit card issuer all amounts charged to Your credit, charge or debit card. No additional consent or notices are required for billing to that credit, charge or debit card or account. When payment is made by credit, charge or debit card, payment will also be subject to the terms and conditions required by the credit, charge or debit card issuer. A reasonable convenience fee may also apply per payment when authorized by You for payment by telephone. If we bill You directly for the Service and Your check, bank or credit union draft, electronic funds transfer, or other order for payment is dishonored and returned because there are insufficient funds in Your account, or because Your account has been closed, we may charge You an insufficient funds or returned check fee up to the amount permitted by law. If a local telephone company or other third party bills You for the Services on our behalf, that company's returned check charge and related policies will apply. If AT&T Long Distance Service does not receive Your payment before the next billing date, AT&T Long Distance Service may bill You a collections fee, a late payment charge, and/or an interest charge no greater than the amount permitted by law. If a local telephone company or other third party bills You on our behalf, that company's late payment charges and policies will apply. Our acceptance of late or partial payment (even if marked, "PAID IN FULL") and/or late payment charges shall not constitute waiver of any of our right to collect the full amount due under this Agreement.

We may demand immediate payment when actual usage is at least two times greater than Your average usage as reflected on the monthly bills for the three months prior to the current bill or if You are a new Customer who has been receiving service for less than four months, where the actual usage is at least twice the estimated monthly usage charge.

You waive any objection You may have to any charges if You fail to provide AT&T Long Distance Service written notice of the objection within sixty (60) days of receipt of the bill. AT&T Long Distance Service and Customer each agree to waive all rights of subrogation against one another in connection with Services.

- d. **Billing.** We will determine the design and the format of the bill. We will also determine the billing period. We may change both the format and the billing period from time to time and without notice to You. Charges begin to accrue at the start of each billing period and continue through the full billing period. We may prorate or adjust Your bill if the billing period covers less than or more than a full month based on the number of days in the billing cycle for the month in which the charges are billed. For most of our Services, to determine the charge or each call, we round up to the next full minute for any fraction of minutes. Some of our other services may be billed on a different basis. For more information about how Your particular plan is billed, please see the letter included with this Agreement or if You did not receive a letter, or prefer to do so, contact us at the number on Your bill, or by going to our web site at www.bellsouth.com/longdistance. When a percentage discount is applied, the resulting discount shall be rounded down to the nearest cent.
- e. **Credit Check and Deposits.** By applying for or subscribing to the Services, You give us permission to obtain Your credit information from credit reporting agencies from time to time. If we determine that You may be a credit risk based on: (1) an unsatisfactory credit rating; (2) a lack

of credit history; (3) a record of late payments for either present or past bills; or (4) fraudulent, illegal or abusive use of any AT&T Long Distance Service services during the previous five (5) years; then we may require that You place a deposit with us or make an advance payment to secure payment for the Services we provide to You. If You refuse to make a deposit or advance payment, we reserve the right to refuse to provide You Service. The amount of any such deposit will be the lesser of: (a) the amount permitted by law; or (b) a maximum of two (2) times Your estimated average monthly Service usage plus two (2) times any monthly recurring charges. You may be entitled to interest on Your deposit, subject to the laws of the state where You receive the Services. If You fail to pay for the Services when due, we may, without providing You notice, apply the deposit to the amount You owe us. If You pay undisputed bills by the due date for twelve (12) consecutive billing months, we will credit Your account with the deposit. If there is a credit balance on Your account after the deposit is applied, we will refund or credit that amount to You.

- f. **Credit Limits.** Based on Your credit worthiness as we determine it, AT&T Long Distance Service may set a credit limit on Your account at any time. If You exceed Your credit limit, we may restrict Your access to the Services we provide. This restriction on Your access to the Services will not affect Your access to or use of 911 emergency services.

- g. **Toll-Free Numbers.** If You accumulate undisputed past-due charges, we reserve the right not to honor Your request for a change in toll-free service to another carrier (e.g., “porting” of the toll-free number), including a request from a Responsible Organization (Resp Org) for change, until such time as all charges are paid in full.

3. CALLING CARD SERVICES

The BellSouth Global Calling Card, if enclosed with this Agreement, is provided to You as an alternate means of billing Your AT&T Long Distance Service calls. The BellSouth Global Calling Card may also be used to place calls using long distance carriers other than AT&T Long Distance Service. Calls dialed using long distance carriers other than AT&T Long Distance Service are subject to the rates, terms and conditions of such other long distance carrier(s).

The following provisions only apply when You dial 1-800-BellSouth.

a. Rates. To obtain rate information for calls made when You dial 1-800-BellSouth and use Your BellSouth Global Calling Card, dial 1-800-BellSouth and press 0.

b. Billing. All calls will be billed in whole minute increments. Carrier services are provided by BellSouth or Qwest Communications. To determine the carrier for a call from a given state, call 1-800-BellSouth from that state. We reserve the right to change the carrier for a given state without further notice to You. More detailed terms and conditions for the BellSouth Global Calling Card Service are available dialing 1-800-BellSouth and pressing option 5.

c. Customer Responsibility.

- The BellSouth Global Calling Card is not transferable.
- You may authorize others to use the BellSouth Global Calling Card, but You remain responsible for all charges incurred by use of this BellSouth Global Calling Card.
- If Your telephone number is changed or if the telephone Service to which the BellSouth Global Calling Card is billed is discontinued, You must notify all authorized users that the BellSouth Global Calling Card has been canceled and the BellSouth Global Calling Cards that have been distributed to You must be destroyed or returned to AT&T Long Distance Service. You remain responsible for all charges incurred unless the BellSouth Global Calling Card is destroyed or returned by You.

- If Your BellSouth Global Calling Card is lost or stolen, You are responsible for charges incurred by the use of the card until the time You notify the BellSouth Business Office at the number on Your AT&T Long Distance Service bill

d. Unauthorized Use. Use of the BellSouth Global Calling Card is unauthorized after the telephone service to which the BellSouth Global Calling Card is billed has been discontinued or has been changed to a person other than You. Such unauthorized use may constitute a violation of law.

e. Calling Plans. Your BellSouth Global Calling Card is issued by AT&T Long Distance Service. Services charged to this card will not be included in and are not in any way associated with any calling plans, promotional offers or automatic discount plans of any other service provider.

f. Availability. The BellSouth Global Calling Card is subject to limited availability. We reserve the right to refuse to issue certain card names.

g. Usage Limit. Your BellSouth Global Calling Card account may be subject to a maximum monthly usage limit.

h. Fraud. If fraudulent use of Your BellSouth Global Calling Card is suspected, we may take any action we deem appropriate including, but not limited to, suspending or terminating Your card without notice.

i. Card Activation. By activating or using the BellSouth Global Calling Card, You agree that BellSouth Telecommunications, Inc., or any other billing agent we may use, may release to AT&T Long Distance Service any customer account information related to Your use of the BellSouth Global Calling Card.

4. SUSPENDING AND CANCELING THE SERVICES

- a. Cancellation of Services by You. You may cancel all or a portion of the Services to which You subscribe by discontinuing use of the Services You wish to cancel and placing a disconnect order by calling the AT&T Long Distance Service number on Your bill. The BellSouth Pricing and Service Guides specify conditions applicable cancellation of Services, including termination fees, if any. If You continue to subscribe to, use, or pay for other Services, this Agreement will continue in effect for those Services until canceled by You. You are responsible for contacting us in order to discontinue a Service that You no longer want or no longer can use with Your existing Services, or that becomes incompatible with Your other existing AT&T Long Distance Service Services or features.
- b. Suspension & Cancellation of Service by AT&T Long Distance Service.
 - (i) In using the Services, You agree to comply with all applicable state and federal laws and regulations. You agree not to use the Services for any illegal, unlawful, abusive, or fraudulent purpose. This limitation includes, but is not limited to, using the Services in a way that: (1) hinders or obstructs our ability to provide Services to You or any third party; or (2) avoids or attempts to avoid Your responsibility to pay for the Services. Services covered by this Agreement are provided solely for Your residential household needs and are not intended for business use. If we believe that You or someone using the Services is abusing the Services or using them fraudulently, abusively, illegally, unlawfully, or for other than residential household purposes, we reserve the right to immediately and without notice suspend, restrict, or cancel the Services. (ii) If You do not pay Your AT&T Long Distance Service bill by the required due date, including late payment fees or any other charges permitted by this Agreement, AT&T Long Distance Service may suspend, restrict, or cancel the Services and this Agreement, with advance notice to You. (iii) We reserve the right to discontinue certain Services, subject to applicable law and regulation and

without notice. (iv) We may terminate this Agreement at any time without cause by providing thirty days' notice to You.

- c. Outstanding Charges. If Services are cancelled for any reason, charges will accrue through the date that cancellation is fully processed by us. You are responsible for paying all outstanding charges for Services, including payment of any bills that remain due after the date of cancellation. Subject to Section 8, You agree to reimburse us for any reasonable costs and expenses we incur, including attorneys' fees, to collect charges You owed us.
- d. Reinstatement of Service. If You ask us to reinstate Your Services following cancellation, we may, in our sole discretion, require You to pay a deposit.

5. INDEMNIFICATION

You agree to defend, indemnify and hold harmless AT&T Long Distance Service, our employees, officers, directors, affiliates, subsidiaries, assignees and agents, from and against any and all claims, demands, actions, causes of action, suits, proceedings, losses, damages, costs and expenses, including reasonable attorneys' fees, arising from or relating to any use of a Service, or any act, error, or omission in connection therewith by You or any person You authorize or permit to use any Service, including but not limited to: matters relating to incorrect; incomplete or misleading information; defamation; invasion of privacy; identity theft; infringement of a copyright, trade name, trademark, service mark, or other intellectual property; any defective product or Service or for any injury or damage to person or property caused by any service sold or otherwise distributed through or in connection with a Service; or violation of any applicable law or regulation; provided, however, such claims are not based on our willful misconduct or gross negligence. This provision will continue to apply after the cancellation or termination of this Agreement.

6. DISCLAIMER OF WARRANTIES AND LIABILITY

- a. SERVICE IS PROVIDED ON AN "AS IS", "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF TITLE OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, OTHER THAN THOSE WARRANTIES (IF ANY) WHICH ARE IMPLIED BY, AND INCAPABLE OF EXCLUSION, RESTRICTION, OR MODIFICATION UNDER THE LAWS APPLICABLE TO THIS AGREEMENT, ALL SUCH WARRANTIES BEING EXPRESSLY DISCLAIMED. AT&T LONG DISTANCE SERVICE DOES NOT AUTHORIZE ANYONE, INCLUDING, BUT NOT LIMITED TO, AT&T LONG DISTANCE SERVICE EMPLOYEES, AGENTS, OR REPRESENTATIVES, TO MAKE A WARRANTY OF ANY KIND ON AT&T LONG DISTANCE SERVICE'S BEHALF, AND YOU AGREE THAT YOU WILL NOT RELY ON ANY SUCH STATEMENT. AT&T LONG DISTANCE SERVICE DOES NOT WARRANT THAT ANY SERVICE WILL BE UNINTERRUPTED OR ERROR FREE.

YOU EXPRESSLY AGREE THAT OPERATION AND USE OF A SERVICE IS AT YOUR SOLE RISK. NEITHER AT&T LONG DISTANCE SERVICE NOR ANY OF ITS EMPLOYEES, AFFILIATES, SUBSIDIARIES, ASSIGNEES OR AGENTS SHALL HAVE ANY LIABILITY FOR THE OPERATION, USE OR MALFUNCTION OF ANY SERVICE, REGARDLESS OF WHETHER OR NOT SUCH PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. YOU AGREE THAT YOU WILL NOT IN ANY WAY HOLD AT&T LONG DISTANCE SERVICE RESPONSIBLE FOR ANY SELECTION OR RETENTION OF, OR THE ACTS OR OMISSIONS OF, THIRD PARTIES IN CONNECTION WITH ANY SERVICE.

- b. **LIMITATION OF LIABILITY**

EXCEPT WHERE PROHIBITED BY LAW, CUSTOMER'S SOLE REMEDY FOR LOSS OR DAMAGE CAUSED BY OPERATION OR USE OF ANY SERVICE OR FOR DELAY, MALFUNCTION OR PARTIAL OR TOTAL NONPERFORMANCE OF ANY SERVICE UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, SHALL BE PAYMENT OF AN AMOUNT NOT IN EXCESS OF THE CHARGES PAID OR PAYABLE BY CUSTOMER TO AT&T LONG DISTANCE SERVICE FOR SUCH SERVICE FOR THE PERIOD SUCH FAILURE, DELAY OR NONPERFORMANCE OCCURRED; PROVIDED, HOWEVER, IF IT IS DETERMINED THAT OUR NEGLIGENCE CAUSED INJURY TO A PERSON OR DAMAGE TO PROPERTY, WE WILL BE LIABLE FOR NO MORE THAN THE LESSER OF THE AMOUNT OF DIRECT DAMAGES TO THE PERSON OR PROPERTY FOR WHICH WE ARE FOUND RESPONSIBLE OR ONE THOUSAND DOLLARS (\$1000). YOU ACKNOWLEDGE THAT ALL SERVICE IS OF SUCH A NATURE THAT ANY MESSAGE MAY BE LOST FOR MANY REASONS, INCLUDING, BUT NOT LIMITED TO DIALING ERRORS, POWER FAILURES, MALFUNCTIONING OF WIRELINE AND/OR WIRELESS TELEPHONE/COMMUNICATIONS SERVICES AND EQUIPMENT AND ELECTRONIC INTERFERENCE. AT&T LONG DISTANCE SERVICE SHALL NOT BE LIABLE FOR ANY REASON WHATSOEVER TO YOU FOR LOSS OF USE FOR ANY OF THE SERVICES, THE CONTENT OF ANY MESSAGE, ANY FAILURE OR DELAY IN THE TRANSMISSION OR RECEIPT OF ANY MESSAGE, OR ANY INTERCEPTION, UNAUTHORIZED DISCLOSURE OR OTHER UNAUTHORIZED USE OF A MESSAGE. YOU AGREE THAT IN ALL CIRCUMSTANCES AT&T LONG DISTANCE SERVICE AND ITS SUPPLIERS AND/OR MANUFACTURERS SHALL NOT BE LIABLE FOR LOST PROFITS, LOSS OF INFORMATION, LOSS OF SIGNAL, OR TOLL FRAUD. AT&T LONG DISTANCE SERVICE SHALL HAVE NO LIABILITY WHATSOEVER TO YOU OR ANY THIRD PARTY FOR THE ACCURACY, TIMELINESS OR CONTINUED AVAILABILITY OF ANY AT&T LONG DISTANCE SERVICE SERVICE. THIS EXCLUSION OF DAMAGES ENCOMPASSES, WITHOUT LIMITATION, LOSS OF BUSINESS OR REVENUES; LOSS OF DATA; LOSS OF USE OF ANY ASSOCIATED DEVICES; COSTS OF CAPITAL; SUBSTITUTE SERVICES OR REPLACEMENT SERVICES; DOWNTIME COSTS; AND CLAIMS BY YOU OR YOUR USERS FOR SUCH DAMAGES. **THIS APPLIES WHETHER OR NOT SUCH DAMAGES WERE FORESEEN OR UNFORESEEN.** THIS EXCLUSION OF DAMAGES ALSO APPLIES, WITHOUT LIMITATION TO YOUR INABILITY TO USE OR ACCESS THE NETWORK OR OTHER AT&T LONG DISTANCE SERVICE FACILITIES, OR ANY PART THEREOF, EITHER SEPARATELY OR IN COMBINATION WITH OTHER COMMUNICATION FACILITIES, OR IN CONNECTION WITH ANY SERVICE PERFORMED OR NOT PERFORMED BY AT&T LONG DISTANCE SERVICE OTHER THAN UNDER THIS AGREEMENT, OR A THIRD PARTY.

EXCEPT WHERE PROHIBITED BY LAW, AT&T LONG DISTANCE SERVICE WILL IN NO EVENT BE LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR CONNECTED TO THE PROVISION, OPERATION OR USE OF SERVICES, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE, ERROR, MISTAKE OR OMISSION ON THE PART OF AT&T LONG DISTANCE SERVICE OR ITS AFFILIATES, SUBSIDIARIES, EMPLOYEES AGENTS OR SUPPLIERS), STRICT LIABILITY OR OTHERWISE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, YOU SPECIFICALLY AGREE THAT AT&T LONG DISTANCE SERVICE SHALL NOT BE LIABLE FOR THESE TYPES OF DAMAGES ARISING OR RESULTING FROM ANY ACCIDENT OR INJURY CAUSED BY OPERATION OR FAILURE OF ANY SERVICES. YOU ACKNOWLEDGE THAT THE PRICING OF SERVICES UNDER THIS AGREEMENT REFLECTS THE INTENT OF THE PARTIES TO LIMIT AT&T LONG DISTANCE SERVICE'S LIABILITY AS PROVIDED HEREIN.

- c. IN THE EVENT THAT THE LIMITATIONS OF LIABILITIES OR REMEDIES AVAILABLE AS SET FORTH IN THIS AGREEMENT, OR ANY PORTIONS THEREOF, ARE FOUND

UNENFORCEABLE FOR ANY REASON, OR THAT ANY OF YOUR REMEDIES UNDER THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE, YOU EXPRESSLY AGREE THAT UNDER NO CIRCUMSTANCES SHALL AT&T LONG DISTANCE SERVICE'S TOTAL LIABILITY TO YOU OR ANY PARTY CLAIMING BY, THROUGH OR UNDER YOU FOR ANY CAUSE WHATSOEVER, AND REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, IN THE AGGREGATE, EXCEED THE AMOUNT OF CHARGES PAID BY YOU FOR ANY SERVICES UNDER THIS AGREEMENT.

- d. THIS SECTION 6 WILL SURVIVE AND CONTINUE TO APPLY AFTER THIS AGREEMENT TERMINATES.
- e. NOTHING IN THIS SECTION 6 LIMITS ACTUAL DAMAGES THAT ARE CONCLUSIVELY DETERMINED TO BE THE DIRECT RESULT OF OUR WILLFUL OR INTENTIONAL MISCONDUCT.

7. FORCE MAJEURE

You agree that we will not be held responsible for any delay or failure in performance of any Service or of any of these terms or conditions, if applicable, caused by accident or casualty, fire, flood, lightning, meteorological phenomenon, power failure, severe weather, explosion, declared or undeclared war or armed conflict, national, state or local emergencies, civil disobedience, delay in transportation, failure of suppliers to deliver equipment, shortage of labor or materials, strike or other concerted acts of workers (whether of AT&T Long Distance Service or others), embargo, government requirement or other civil or military authority, act of terrorism, act of God, or unnamed events or acts otherwise known as *force majeure*, acts of any third party, or other similar causes beyond our control, which prevent or hinder the delivery of any Service ("Condition"). If any such Condition occurs, we may elect to immediately terminate any Service without notice.

8. DISPUTE RESOLUTION - BINDING ARBITRATION

PLEASE READ THIS SECTION 8 CAREFULLY. THIS SECTION 8 SETS FORTH THE PROCEDURE FOR THE RESOLUTION OF DISPUTES THROUGH FINAL AND BINDING ARBITRATION BEFORE A NEUTRAL ARBITRATOR INSTEAD OF IN A COURT BEFORE A JUDGE OR JURY OR THROUGH CLASS ACTION OR ANY NONARBITRAL FORUM.

a. Except as otherwise provided in this Section 8, You or AT&T Long Distance Service may elect to resolve all disputes, whether past, current or in the future, and whether based in contract, tort, statute, regulation or any legal or equitable basis, arising out of or relating to any controversy, claim, counterclaim, dispute or disagreement in connection with or relating to any one or more of the following by final and binding arbitration: (1) the interpretation, execution, administration, amendment or modification of this Agreement; (2) any charge, fee or cost incurred pursuant to this Agreement or any account; (3) the collection of any amounts due under this Agreement or any account; (4) any alleged contract or tort arising out of or relating in any way to this Agreement, any account, any service, transaction, any advertisement or solicitation, or Your business, interaction or relationship with us; (5) any breach of any provision of this Agreement; (6) any statements or representations made to You with respect to this Agreement, any account, any service, any transaction, any advertisement or solicitation, or Your business, interaction or relationship with us; or (7) any of the foregoing arising out of, in connection with or relating to any matter which relates to this Agreement, any service, any account, any transaction or Your business, interaction or relationship with us. Commencement of litigation or an administrative or regulatory proceeding by any person entitled to demand arbitration under this Agreement shall not be deemed a waiver of any right that person has to demand arbitration with respect to any counterclaim or other claim that may be made against that person, whether in, relating to, or arising out of that litigation, administrative or regulatory proceeding, or otherwise. Any demand for arbitration under this Agreement shall be made prior to the expiration of the applicable statute(s) of limitations.

b. This Agreement to arbitrate shall include any claim involving Your or AT&T Long Distance Service's officers, directors, employees, agents, representatives, contractors, subcontractors, parents, subsidiaries, affiliates, successors, assigns, predecessors in interest, children, heirs, offspring, descendants, guardians, estates, any third party that assigned any contracts or agreements to You or AT&T Long Distance Service and any of the respective employees, officers, agents or directors of such affiliates or third parties, and any such claim against any of those parties may be joined or consolidated with any related claim in a single arbitration proceeding. In addition, if we become a party in any lawsuit that You have with any third party, whether through intervention by us or by motion made by You or any third party or by any other method, we may elect to have all claims in that lawsuit between You and such third party to be resolved by binding arbitration under this Agreement. However, nothing in this Agreement shall authorize an arbitration on a class wide basis.

c. If either AT&T Long Distance Service or You have a dispute that meets the small claims court requirements in the state in which You receive Service, either AT&T Long Distance Service or You may take such dispute to small claims court rather than to arbitration.

d. The arbitration will be conducted by one arbitrator using the procedures described in this Section 8. You have the right to be represented by counsel in arbitration.

e. All statutes of limitations, defenses, and attorney-client and other privileges that would apply in a court proceeding shall apply in the arbitration. All disputes over the scope, effectiveness, or validity of this Agreement, including this Agreement's arbitration provisions, as well as any claim or defense of unconscionability shall be decided by the arbitrator. In rendering an award, the arbitrator shall apply applicable contract terms, statutes, and legal precedent and shall follow the Federal Rules of Evidence, enforce applicable privileges, and employ applicable burdens of proof. The arbitrator's findings, reasoning, decision, and award shall be set forth in writing and shall be based upon and be consistent with applicable law. Any challenge to the arbitration award shall be governed by the Federal Arbitration Act.

f. Unless You or AT&T Long Distance Service requests that the arbitration be conducted using the American Arbitration Association's ("AAA") telephonic, on-line, or in-person procedures or the amount in controversy on any claim or counterclaim in the proceeding exceeds \$10,000.00, the arbitration will be based solely on the written submissions of the parties and the documents submitted relating to the dispute. Any in-person arbitration will be conducted at a location that the AAA selects in the county (or parish) of Your primary residence; provided, however, if Your primary residence is outside of the state in which the Services are provided, the arbitration location will be in the county (or parish) in which the Services are provided.

g. The arbitration of any dispute under this Agreement shall be conducted in accordance with the Commercial Arbitration Rules, as well as the Supplementary Procedures for Consumer Related Disputes, of the AAA, in effect at the time the demand for arbitration is filed. If the amount in controversy on any claim or counterclaim in the proceeding exceeds \$10,000.00, the arbitrator shall allow the parties a reasonable amount of discovery relevant to any claim, counterclaim or defense upon the request of any party. Further, if the amount in controversy on any claim or counterclaim in the proceeding exceeds \$25,000.00, the AAA shall not apply the AAA Expedited Procedures unless all parties consent to their application. Further, if the amount in controversy on any claim or counterclaim in the proceeding exceeds \$25,000.00, the AAA shall not unilaterally select the arbitrator, but shall afford the parties the opportunity to select the arbitrator using the AAA's National Roster Selection procedure. In the event of a conflict between the arbitration rules and this Agreement, this Agreement shall control, except that, in the event that the AAA determines that any provision of this Agreement does not comply with applicable standards stated in the AAA's Consumer Due Process Protocol, the standards of the protocol shall control. A copy of the AAA's arbitration rules are available by writing to AT&T Long Distance Service at suite 2c15, 1057 Lenox Park Boulevard, Atlanta, GA 30319-5309, from the AAA at www.adr.org or You may contact the AAA directly at 1-800-778-7879 (toll free).

h. This Agreement to arbitrate does not limit the right of You or us, whether before, during or after the pendency of any arbitration proceeding, to exercise self-help remedies such as set-off, repossession, trustee's sales and the like. The taking by either You or us of any of the self-help remedies or by filing any action in court or other tribunal, including but not limited to the actions described in the preceding sentence, shall not be deemed to be a

waiver of the right of You or us to elect binding arbitration of any claim or counterclaim upon the filing of a counterclaim or the like by either You or us in response to any such action.

i. Unless both parties expressly agree or as otherwise permitted in this Agreement, disputes under this Agreement may not be: (a) resolved on a class-wide basis; (b) joined with another lawsuit; or (c) joined in any arbitration of a dispute of any other person. The arbitrator may award injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim.

j. If You desire to seek arbitration, You must first send us a written notice of intent to arbitrate ("notice") by certified mail at the following address: AT&T Long Distance Service, Suite 6C01, 1025 Lenox Park Boulevard, Atlanta, GA 30319-5309 Attn: Managing Counsel – Retail Markets. The notice must: (a) describe the nature and basis of the claim or dispute; and (b) set forth the specific relief sought ("demand"). If You and we do not reach an agreement to resolve the claim within 60 days after the notice is received, You or AT&T Long Distance Service may commence an arbitration proceeding as set forth in this Agreement. If AT&T Long Distance Service receives notice that You have commenced arbitration after complying with the notice requirements set forth above, it will promptly reimburse You for any fee You paid to commence the arbitration.

k. Except as otherwise provided herein, AT&T Long Distance Service will pay all AAA filing, administration, and arbitration fees for any arbitration initiated in accordance with this Agreement. If, however, the arbitrator finds that either the substance of Your claim or the relief sought is frivolous or brought for an improper purpose, then the payment of such fees shall be governed by the AAA rules. In such case, You agree to reimburse AT&T Long Distance Service for all monies previously disbursed by it that are otherwise Your obligation to pay under the AAA rules. If the arbitrator grants relief to You that is equal to or greater than the value of Your demand, the Arbitrator may, in his discretion, award You reasonable attorneys' fees and expenses incurred for the arbitration, as determined by the arbitrator. This potential right to attorneys' fees is in addition to any right that You may have under applicable law. The arbitrator may make rulings and resolve disputes as to the payment and reimbursement of fees and expenses at any time during the proceeding and upon request from either party within 14 days of the arbitrator's ruling on the merits.

l. IN THE EVENT THAT THE ARBITRATION RESULTS IN AN ARBITRAL AWARD WHICH IMPOSES AN INJUNCTION ON YOU OR ON AT&T LONG DISTANCE SERVICE, OR CONTAINS A MONETARY AWARD IN EXCESS OF TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00), THE AWARD SHALL BE REVIEWABLE BY A COURT OF COMPETENT JURISDICTION AT THE STAGE OF CONFIRMATION. SUCH REVIEW SHALL APPLY THE SUBSTANTIVE AND PROCEDURAL STANDARDS NORMALLY APPLYING TO AN APPEAL OF A JUDGMENT FROM A TRIAL COURT OF COMPETENT JURISDICTION. HOWEVER, IF THE ARBITRAL AWARD DOES NOT IMPOSE AN INJUNCTION ON YOU OR ON AT&T LONG DISTANCE SERVICE OR CONTAIN A MONEY DAMAGES AWARD IN EXCESS OF TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00), THEN THE ARBITRAL AWARD SHALL NOT BE APPEALABLE AND SHALL ONLY BE SUBJECT TO SUCH CHALLENGES AS WOULD OTHERWISE BE PERMISSIBLE UNDER THE FEDERAL ARBITRATION ACT, 9 U.S.C. §§ 1-16.

m. This Agreement evidences a transaction in interstate commerce, and thus the Federal Arbitration Act, 9 U.S.C. §§ 1-16, governs the interpretation and enforcement of this provision. All issues are for the arbitrator to decide, including the scope of this arbitration Agreement, but the arbitrator is bound by the terms of this Agreement.

n. If any provision of Section 8 is determined to be unenforceable other than: (a) the waiver of the right to participate in a class or consolidated arbitration; or (b) the provision that the arbitrator may award injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim, then the remainder shall be given full force and effect. This Agreement to arbitrate disputes shall survive any cancellation of Services or termination of this Agreement and shall also survive as to any claim or dispute within the scope of this Agreement.

o. YOU AND WE VOLUNTARILY AND KNOWINGLY WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY DISPUTES TO THE FULLEST EXTENT ALLOWED BY LAW.

9. MISCELLANEOUS

- a. No Third-Party Rights. Except as provided in Section 8, this Agreement does not give any third party a remedy, claim, or right of reimbursement.
- b. Assignment. We reserve the right to assign or otherwise transfer by merger or operation of law all or part of our rights or duties under this Agreement without notifying You. If we make such assignment, we will have no further obligations to You. You may not assign this Agreement or the Services to which You subscribe without our prior written consent, and any attempt by You to make such assignment is void.
- c. Notices. You must provide written notices to AT&T Long Distance Service as specified in this Agreement, as set forth in Section 8. When notice by telephone is allowed under this Agreement, such notice from You to AT&T Long Distance Service will be effective on the date we received Your call, as shown in our records. At our option, AT&T Long Distance Service's notice to You under this Agreement will be provided by one or more of the following methods: bill message; bill insert; newspaper; magazine or other periodical advertisement; postcard or letter; call to Your billed telephone number; e-mail to an e-mail address provided by You; and/or posting on our Website at www.bellsouth.com/longdistance.
- d. Customer understands that it may be possible for unauthorized third parties to monitor data traffic. If You desire to secure Your transmissions in connection with any Services, You shall procure, at Your own cost, encryption software or other transmission protection. You assume full responsibility for the establishment of appropriate security measures to control access to Your equipment and information.
- e. Severability. Except as provided in Section 8, if any provision, phrase or wording of this Agreement is determined to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the remainder of this Agreement, but rather the entire Agreement shall be construed as if not containing the particular invalid or unenforceable provision, phrase or wording and the right and obligations of the parties to this Agreement shall be construed and enforced accordingly.
- f. Survivability. The terms and conditions contained in this Agreement that by their sense and context are intended to survive the performance hereof by either or both parties hereunder, shall so survive the completion of performance, cancellation or termination of this Agreement. Except as otherwise specifically stated in this Agreement, the provisions of this Agreement are for the benefit of the parties hereto and not for any other person. Waiver by either party or any default by the other party shall not be deemed a continuing waiver of such default or a waiver of any other default.
- g. Governing Law. This Agreement shall be governed by the laws of the State of Georgia (excluding its conflicts of law principles), except that the arbitration provisions in Section 8 will be governed by the Federal Arbitration Act to the extent applicable as specified in Section 8. This governing law provision applies no matter where You reside, or where You use or pay for the Services. If, for any reason, Section 8 is not effective, then You consent to jurisdiction and venue in the federal and state courts of Fulton County, Georgia, except as otherwise required by law. EACH OF THE PARTIES WAIVES, TO THE FULLEST EXTENT PERMITTED BY THE LAW, ANY RIGHT TO TRIAL BY JURY AND ANY CLAIM THAT: (I) SUCH PARTY IS NOT PERSONALLY SUBJECT TO JURISDICTION OF SUCH COURTS; (II) SUCH PARTY OR ITS PROPERTY IS IMMUNE FROM ANY LEGAL PROCESS ISSUED BY SUCH COURTS; OR (III) SUCH COURTS ARE AN INCONVENIENT FORUM.

- h. Entire Agreement. This Agreement, which incorporates by reference the AT&T Long Distance Service Pricing and Service Guides on our Website at www.bellsouth.com/longdistance, sets forth the entire agreement between You and AT&T Long Distance Service and, with respect to the Services covered by this Agreement, takes the place of all previous agreements, understandings, statements, proposals, and representations between us, whether written or oral. This Agreement can be amended solely as provided in Section 10 below. No written or oral statement, advertisement, or Service description not expressly contained or referenced and incorporated in the Agreement will be allowed to contradict, conflict, vary, explain, or supplement the Agreement.

10. CHANGES TO THIS AGREEMENT

From time to time, we may change this Agreement, including the terms of the AT&T Long Distance Service Pricing and Service Guides, which are a part of this Agreement. If we make any changes to the prices or charges, we will comply with our notice commitments described in Section 2(b) and 9(c) of this Agreement. We will notify You of all other changes in accordance with Section 9(c) above, and such changes will be effective no sooner than fifteen (15) days after we provide written notice to You. If You live in a state that requires a notice period of more than fifteen days, we will comply with the notice requirement in Your state. You may also request a copy of the revised Agreement, including revised AT&T Long Distance Service Pricing and Service Guides applicable to the Services to which You subscribe, by calling AT&T Long Distance Service toll free at 1-866-248-3443.* **Your continued subscription to, usage of, or payment for Services after the effective date of such changes in the prices, charges, terms, or conditions will be deemed to be Your acceptance of such changes. If You do not agree to such changes, You must terminate Your Services before the effective date of the changes by calling AT&T Long Distance Service at the number on Your bill or by calling Your local service provider.**

Spanish/Español:

You may request a Spanish language version of the BellSouth Service Agreement for Residential Customers by calling AT&T Long Distance Service Toll-Free at 1-866-248-3443.*

Usted puede solicitar una versión en Español del contrato de servicio de AT&T Long Distance Service para clientes residenciales llamando de gratis al 1-866-248-3443.*

*TTY 1-866-248-3447 for customers with hearing/speech disabilities.

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