Effective January 31, 2020, the services in this product guide are withdrawn for all customers except Federal, State and Local Government Agencies, and Educational Institutions (whether public or private, including elementary and secondary schools and colleges/universities). A reasonable transition period beyond January 31, 2020 may be permitted for those customers of withdrawn services that have contacted the Company prior to January 31, 2020 where the Company determines that additional time is needed to establish a replacement service or for complex services that the Company determines require additional time to complete the disconnection of all circuits.

Effective November 30, 2020, the services in this product guide are withdrawn for all Federal, State and Local Government Agencies, and Educational Institutions (whether public or private, including elementary and secondary schools and colleges/universities). A reasonable transition period beyond November 30, 2020 may be permitted for those customers of withdrawn services that have contacted the Company prior to November 30, 2020 where the Company determines that additional time is needed to establish a replacement service or for complex services that the Company determines require additional time to complete the disconnection of all circuits. (N) (N)

SECTION 3 - RULES AND REGULATIONS

3.1 Terms and Conditions

3.1.1 Company services are provided and billed on the basis of a minimum period of at least one month, beginning on the date that billing becomes effective and continues to be provided until canceled by the Customer in writing on not less than 45 days notice from the date of postmark on the letter giving notice of cancellation.

3.1.2 The name(s), address(es), and telephone number(s) of the Customers desiring to use the service must be stipulated in the application for service.

3.1.3 The Customer agrees to operate the Company-provided equipment in accordance with the instructions of the Company or an agent of the Company.

3.1.4 The Customer agrees within five (5) days of termination of the service in connection with which the equipment was used to return to the Company all Company-provided equipment which was delivered to the Customer. Said equipment shall be in the same condition as when delivered to the Customer, normal wear and tear excepted. Customers shall reimburse the Company, upon demand, for any costs incurred by the Company due to the Customers failure to comply with this provision.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.2 Liability

3.2.1 Except for granting allowances for interruptions of service as provided for in Section 3.22 and other sections of this product guide, the Company shall not be liable for any failure of performance due to: causes beyond its control, including, but not limited to, acts of God, fires, floods or other catastrophe, national emergencies, insurrections, riots or wars, strikes, lockouts, work stoppages or other labor difficulties; other preemption of existing services to restore service in compliance with Part 64, Subpart D, Appendix A, of the FCC's Rules and Regulations; or any law, order, or action of any governing authority or agency thereof.

3.2.2 The Company's liability, if any, with regard to the delayed installation of Company facilities or commencement of services shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary, or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), offered under this product guide, and subject to the provisions of Section 3.2, following the Company's liability, if any shall be limited as follows:

(1) With respect to any Dedicated Leased Line Service offered by the Company, the Company's liability amount is equal to the proportionate monthly recurring charge or charges for the service for the period during which the service was affected.

(2) With respect to any service provided by the Company which involves dedicated access, shared interexchange transmission, and/or shared information, the Company's liability shall not exceed an amount equal to the proportionate monthly recurring charges—including any service charges, minimum monthly charges, basic feature package charges monthly charges for optional features, charges for dedicated access facilities and any other monthly charges—for the period during which the service was affected or, if only a transmission using the shared interexchange facilities is interrupted, an amount equal to the charge applicable to a one-minute call to the called station at the time the affected call was made. Where any claim arises out of

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.2 Liability, (Cont'd.)

3.2.2 (cont'd.)

(2) (continued

the Company's acting as a Responsible Organization (Resp Org), or performing SMS Res Org changes, or where any claim arises out of any and all failing by the Company in connection with the provision of 800/888/877 (and future toll-free prefixes) service is not made available on the date committed to the customer, or cannot otherwise be made available after the Company's acceptance of the Customer order, or is provided with a number or numbers other than the one(s) committed by the Company to the Customer, or the number or numbers are not included in 800/888/877 Service Directory Assistance or are included in an incorrect form, and any such failure or failures is due solely to the negligence of the Company, in such cases the Company's liability, if any, will be limited to the lesser of: (a) the actual monetary damages incurred and proven by the Customer as the direct result of such failure to failures; or (b) the sum of $1000.00. With respect to Resp Org and SMS Resp Org Changes, the customer will indemnify and hold the Company harmless against any third party claims arising out of the execution of changes requested by the Customer, including those changes made by an 800/888/877 Subscriber. Where the Resp Org Service Customer is a Customer acting on behalf of an 800/888/877 Subscriber, the Customer represents that it has the authority to act on the 800/888/877 Subscribers behalf in choosing a Resp Org and otherwise utilizing the Company's Resp Org Service. The Company shall not be liable at all for the use, misuse, or abuse of a Customer's 800/888/877 Service by third parties including, without limitation, the Customers' employees or members of the public who dial the Customers 800/888/877 number by mistake. Compensation for any injury the Customer may suffer due to the fault of people or entities other than the Company must be sought from other such parties.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.2 Liability, (Cont'd.)

3.2.2 (cont'd.)

(3) With respect to any service provided by the Company which involves shared access, shared interexchange transmission, and/or shared termination the Company's liability shall not exceed an amount equal to the charge applicable to a one(1) minute call to the called station at the time the affected call was made.

(4) With respect to any service provided by the Company's which involves dedicated access, shared interexchange transmission, and/or dedicated termination, the Company's liability shall not exceed an amount equal to the charge applicable to a one (1) minute call to the called station at the time the affected call was made.

(5) With respect to the routing of calls by the Company to public safety answering points (PSAPs) or municipal emergency service providers, the Company's liability, if any, will be limited to the lesser of: a) the actual monetary damages incurred and proved by the customer as the direct result of the Company's action, or failure to act, in routing the call; or b) the sum of $1,000.00.

(6) With respect to the Company's offering of Telecommunications Relay Service (TRS), any service provided by XO which involves receiving, translating, or delivering messages by telephone, text telephone, a Telecommunications Device for the Deaf (TDD), or any other instrument over the facilities of the Company or any connecting carriers or through any TRS centers operated by the Company or its agents, the Company's liability shall not exceed an amount equal to the Company's charge for a one (1) minute call to the station at the time affected call was made.

The liability provided for above, shall in each case, be in addition to any amounts that may otherwise be due to the Customer under this product guide as a credit allowance for the interruption of service.

SECTION 3 -– RULES AND REGULATIONS, (CONT'D.)

3.2 Liability, (Cont'd.)

3.2.3 The Company shall be indemnified, defended, and held harmless by the Customer or by others authorized to use the service against all claims of loss or damage arising from the use of service furnished under this product guide, including:

(a) Claims for libel, slander, invasion of privacy, or infringement of copyright arising out of the material, data, information, or other content transmitted via Company service;

(b) patent infringement claims arising from combining or connecting Company service with apparatus and systems furnished by the Customer or others; and

(c) all other claims arising out of any act or omission of the Customer or others including those relating to Section 3.2.4 below, in connection with any service provided by the Company.

3.2.4 The Company shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with service, circuits, or equipment that it does not furnish, or for damages which result from the operation of customer-provided systems, equipment, facilities or services which are interconnected with Company services.

3.2.5 The Company does not guarantee, nor make any warranty with respect to, service installations at locations at which there is present an atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such installations. The Customer and user shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other actions, or any liability whatsoever, whether suffered, made instituted or asserted by the Customer by any other party, for any personal injury to, whether owned by the Customer or others, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, furnished by the Company at such locations.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.2 Liability, (Cont'd.)

3.2.6 The Company is not liable for any defacement of, or damages to, the premises of a Customer resulting from the furnishing of service, or the attachment of any instruments, apparatus associated wiring on such Customer premises or from the installation or removal thereof, when such defacement or damage is not the result of Company negligence.

3.2.7 The Company shall not be liable for the Customers failure to fulfill its obligations to take all necessary steps including, without limitation, obtaining, installing and maintaining all necessary equipment, materials, and supplies, for interconnecting the terminal equipment or communications system of the Customer, or any third party acting as its agent, to the Company's network. The Customer shall secure all licenses, permits, approvals, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer shall ensure that its equipment and/or system or that of its agent is properly interfaced with the Company's service, that the signals emitted into the Company's network are of the proper mode, bandwidth, power, data speed, and signal level for the intended use of the Customer and in compliance with the criteria set forth in the following, and that such signals do not damage the Company's equipment or network or injure Company personnel or degrade service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate and intrastate communications service, the Company will permit such equipment to be connected with its services without the use of protective interfaces devices. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting imminent harm to Company equipment, network, personnel, or the quality of service to other Customers, the Company may, upon notice, require the use of protective equipment at the Customers expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customers service without liability or obligation.

3.2.8 Reserved for Future Use

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.2 Liability, (Cont'd.)

3.2.9 Use and Sale of Telephone Subscriber Information

3.2.9.1 With respect to the use and sale of telephone subscriber information provided pursuant to Automatic Number Identification ("ANI") or charge number services, the Company shall permit the Customer to use the telephone number and billing information or billing and collection, routing, screening and completion of the originating telephone subscriber's call or transaction, or for services directly related to the originating telephone subscriber's call or transaction. The Customer is prohibited from reusing or selling the telephone number or billing information without first:

(a) notifying the originating telephone subscriber and:

(b) obtaining the affirmative consent of each subscriber for such reuse or resale. Additionally, the Customer is prohibited from disclosing, except as permitted above, any information derived from the Automatic Number Identification ("ANI") or charge number service for any purpose other than:

(i) performing the services or transactions that are the subject of the origination telephone subscriber's call;
(ii) ensuring network performance security, and the effectiveness of call delivery;
(iii) compiling, using, and disclosing aggregate information; and
(iv) complying with applicable law or legal process.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.2 Liability, (Cont'd.)

3.2.9 Use and Sale of Telephone Subscriber Information, (cont'd.)

3.2.9.2 The requirements imposed under Section 3.2.9.1 shall not prevent a person to whom automatic number identification, or charge number services are provided from using:

(i) the telephone number and billing information provided pursuant to this service; and

(ii) any information derived from the automatic number identification or charge number service, or from the analysis of the characteristics of a telecommunications transmission, to offer a product or service that is directly related to the products or services previously acquired by that Customer from such person.

3.3 Cancellation of Service by a Customer

3.3.1 If a Customer cancels an order for service before the service begins, before completion of the minimum period, or before completion of some other period mutually agreed upon by the Customer and the Company, a charge will be levied upon the Customer for the non-recoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Company and not fully reimbursed by installation and monthly charges. If based on an order by a Customer, and construction has either begun or been completed, but no services provided, the non-recoverable cost of such construction shall be borne by the Customer.

3.3.2 Except as otherwise provided in this poduct guide, if an order for installation is delayed for more than thirty (30) days beyond the due date, and such delay is not requested or caused by the Customer, the Customer may cancel the order without incurring cancellation charges.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.4 Use of Service

3.4.1 Service furnished by the Company may be used for one or more of the following:

(a) for the transmission of communications by the Customer;

(b) for the transmission of communications to or from an authorized user or joint user;

(c) for the transmission of communications to or from a Customer of another common carrier, which has subscribed to the Company's communications service for purposes of resale.

3.4.2 Service furnished by the Company may be arranged for joint use or authorized use. The joint user or authorized user shall be permitted to use such service in the same manner as the Customer, but subject to the following:

(a) One joint user or authorized user must be designated as the Customer. The designated Customer does not necessarily have to have communications requirements of its own. The Customer must specifically name all joint users or authorized users in the application for service. Orders that involve the start, rearrangement, or discontinuance of joint use or authorized use service will be accepted by the Company only from that Customer and will be subject to all provisions of this product guide.

(b) All charges for the service will be computed as if the service were to be billed to one Customer. The joint user or authorized user that has been designated as the Customer will be billed for all components of the service and will be responsible for all payments to the Company. In the event that the designated Customer fails to pay the Company each joint user or authorized user shall be liable to the Company for all charges incurred as a result of its use of the Company's service. Each joint or

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.4 Use of Service, (Cont'd.)

3.4.2 (cont'd)

(b) (continued)

authorized user must submit to the designated Customer a letter accepting contingent liability for its portion of all charges billed by the Company to the designated Customer. This letter must specify that the joint or authorized user understands that the Company will receive a copy of the guaranty from the designated Customer. Unless supportive services are provided, the Customer shall be responsible for allocating charges to each joint user or authorized user.

3.4.3 Dedicated long distance is to be used for long distance service only. Customers of dedicated long distance service, who elect to place local calls across such service, either intentionally or unintentionally, will be billed at the applicable dedicated long distance intrastate rate per minute and the associated charges will not be included toward any Customer long distance commitment level.

3.5 Reserved for Future Use

3.6 Reserved for Future Use

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.7 Recording Conversations

3.7.1 A Customer may record a two-way conversation only when the recording is:

(a) preceded by verbal or written consent of all parties to the conversation;

(b) preceded by verbal notification of the recording of the conversation, which notification is recorded at the beginning, and as a part of, the call; or

(c) accompanied by a distinctive recorder tone, repeated at intervals of approximately fifteen (15) seconds, to alert all parties to the conversation that a recording device is in use.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.7 Recording Conversations, (Cont'd.)

3.7.2 Broadcast licenses are exempt from the restrictions set forth in Section 3.7 when the licensee is recording the two-way conversation for broadcast and:

(a) the licensee informs each party to the conversation that the licensee intends to broadcast the conversation;

(b) each party to the conversation is aware that the conversation will be broadcast; or

(c) the other party or parties to the conversation may be presumed to be aware, from the circumstances of the conversation, that the conversation is likely to be broadcast; provided that such awareness may be presumed only when the other party to the conversation is associated with the licensee (such as an employee or part-time reporter) or the other party or parties to the conversation originate(s) and the conversation is obviously in connection with a program during which the licensee customarily broadcasts telephone conversations.

3.7.3 A Customer is exempt from the restrictions set forth in Section 3.7 when:

(a) recording incoming calls made to telephone numbers publicized for emergencies (such as 911) and outgoing calls made in immediate response to these incoming calls (including calls made to and from Department of Defense Command Centers and the Operations Center of the Nuclear Regulatory Commission);

(b) recording calls made for patently unlawful purposes (such a bomb threats, kidnap ransom requests, and obscene calls) and outgoing calls made in immediate response to these calls (including calls referred to the U.S. Secret Service that threaten the safety and security of the President of the United States, his or her immediate family, or the White House); or

(c) recording calls pursuant to an explicit and lawful order of a court issued to 18 U.S.C. Section 2516, as amended, or any equivalent successor provision.

3.8 Reserved for Future Use

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.9 Information Provider Data

A Service Bureau shall promptly furnish to the Company, and keep current on a continuing basis, the name, address, and Customer Service telephone number(s) of the Information Providers to whom it provides service. Where an Information Provider directly subscribes to Company service, it shall promptly furnish to the Company, and keep current on a continuing basis, its name, address, and Customer Service Telephone number(s).

3.10 Line Service

No provider of pay-per-call services subscribing to the Company's service in this poduct guide shall use automatic dialing devices which deliver a recorded message to the called party unless the device releases that called party's telephone line promptly but in no event longer than current industry standards.

3.11 Answer Supervision

Answer supervision must be provided when a Company service offering is connected to switching equipment or a Customer-provided communications system. The Customers equipment or system must provide answer supervision so that the measure of chargeable time that begins upon the delivery of the Customer's call to the switching equipment or to the equipment connected to the communications system and ends upon termination of the call by the calling party. If a Customer's communications system fails to promptly return to Company an idle (on-hook) state upon completion of the call, the Customer will be held responsible for all charges that responsible for all charges that result up until the time the Customer's communication system signals the Company's network that the call has been terminated or until such a time that the Company's own system terminates the call.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.12 Restrictions

Providers of pay-per-call services subscribing to Company transmission services, including 900 service, must comply with all requirements of (a) Title I and II of the Telephone Disclosure and Dispute Resolution Act (Pub.L No. 102-556) (TDDRA); and (b) all requirements of: the regulations presubscribed by the Federal Communications Commission and Federal Trade Commission pursuant to those Titles. The Company shall terminate programs which utilize 900 service if the programs are not in compliance, following written notice to the provider. The provider shall be afforded a period of no less than seven (7) days and no more that fourteen (14) days during which a program may be brought into compliance. Programs not in compliance at the expiration of such period shall be terminated immediately.

3.13 Payment Arrangements

3.13.1 The Customer is responsible for payment of all charges for service furnished to the Customer or its joint or authorized users. This responsibility is not changed by virtue of any use, misuse, or abuse of the Customer service or Customer provided systems, equipment, facilities, or services interconnected to the Customer's service, which use, misuse, or abuse may be occasioned by third parties, including, without limitation, the Customers' employees or other members of the public. The Company is not liable for any damages, including toll usage charges, the subscriber may incur as a result of the unauthorized use of its telephone facilities. This unauthorized use if the subscriber's facilities includes, but is not limited to, the placement of calls from the subscriber's premises, and the placement of calls through subscriber-provided equipment which are transmitted or carried on the Company network. The Company security department may work with subscribers to recommend possible solutions to reduce unauthorized use of its facilities. However, the Company does not warrant or guarantee that its recommendations will prevent all unauthorized use, and the subscriber is

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.13 Payment Arrangements, (Cont'd.)

3.13.1 (cont'd.)

responsible for controlling access to, and use of, its own telephone facilities. Non-recurring charges are payable when the service for which they are applied has been made available. If an entity other than the Company (e.g. another carrier or supplier) imposes charges on the Company, in addition to its own internal costs, those charges will be passed onto the Customer. Recurring charges which are fixed in amount and not dependent on usage are billed in advance. Except for usage charges the rate or volume discount level applicable to a Customer for a particular service or services shall be the rate or volume discount level in effect at the end of the monthly billing period applicable to the Customer for the particular service or service. The Customer agrees to pay the Carrier for all charges billed as a result of any use of the Customer's authorization code(s), whether such use is by Customer or by a third party in connection with a lost, stolen or misappropriated authorization code, or otherwise. It is the Customer's responsibility to inform the Company that an authorization code(s) has been stolen or lost.

3.13.2 Service is provided and billed on a monthly(30-day) basis, beginning on the date that service becomes effective.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.13 Payment Arrangements, (Cont'd.)

3.13.3 Payment will be due upon receipt. Interest may be applied in accordance with Company-standard credit policy to any unpaid amount commencing thirty (30) days after the statement date.

3.13.4 If a Customer accumulates more that $500.00 of unpaid or disputed Toll Free service charges, the Company or the Company Resp Org reserves the right not to honor that Customer's request for a Resp Org change until such dispute is resolved or undisputed charges are paid in full.

3.13.5 In the event the Company incurs fees or expenses, including attorney's fees in collecting or attempting to collect any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

3.13.6 The Company's bills are payable upon receipt, unless the Company indicates on the invoice or a billing insert that the sum shown as due need not be paid, because of the smallness of the amount, until the balance reaches some specified amount; or the Company may deal with Customers whose accounts show very small balances by withholding the issuance of an invoice until the amount due from the Customer reaches a level, which, in the Company's sole discretion, is deemed large enough to justify initiating the billing and collection process; or the Company may invoice low usage Customers every other month unless a Customer invoiced in such a manner requests monthly billing. When a bill is issued, amounts not paid within thirty (30) days after the date of invoice will be considered past due. If the Company becomes concerned at any time about the ability of a Customer to pay its bills, the Company, in its sole discretion, may require that such a Customer pay its bills within a specified number of days and to make such payments in cash or the equivalent of cash.

SECTION 3 -– RULES AND REGULATIONS, (CONT'D.)

3.13 Payment Arrangements, (Cont'd.)

3.13.7 Applicants for service or existing Customers whose financial condition is not acceptable to the Company, or is not a matter of general knowledge, may be required at any time to provide the Company a security deposit as a condition of service. The deposit requested will be in cash or the equivalent of cash, up to an amount equal to the applicable installation charges, if any, and/or up to three month's actual or estimated usage charges for service to be provided. Any applicant or Customer may also be required, at any time, whether before or after the commencement of service, to provide such other assurances of, or security for, the payment of the Company's charges for services to be provided as the Company deems necessary including, without limitation, advance payments for service, third party guarantees of payment, pledges, or other grants of security interest in the Customer's assets, and similar arrangements. The required deposit or other security may be increased or decreased by the Company as it deems appropriate in light of changing conditions and Customers usage pattern. In addition, the Company shall be entitled to require such an applicant or Customer to pay all its bills within a specified period of time, and to make such payments in cash or the equivalent of cash. Simple interest at the rate of six percent (6%) annually will be paid for the period during which the deposit is held by the Company, unless a different rate has been established by the appropriate legal authority in the jurisdiction in which the Company service in question is provided. At the Company's option, such deposit may be refunded to the Customer's account at any time. The Company also reserves the right to cease accepting and processing service orders after it has requested a security deposit and prior to the Customer's compliance with this request.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.13 Payment Arrangements, (Cont'd.)

3.13.8 For the purpose of billing, the start of service date is the activation date. The end of service date is the last day of the minimum notification period as described in Section 3.1.1.

3.13.9 If a Customer does not give the Company written notice of a dispute within sixty (60) days from the date the invoice was rendered, such invoice shall be deemed to be correct and binding.

3.13.10 The charges set forth in this product guide contemplate installations made in normal locations and under normal working conditions. Any installations to be made under other circumstances are subject to additional charges.

3.13.11 Promotional and other credits offered by the Company in the marketing of its service cannot be assigned, but must be used by the person to whom they were offered and who earned them in strict accordance with the terms of the offers. In the event that a customer has been awarded a promotional credit for subscribing to the Company and does not use the service within twelve (12) months following the date of the Customer's service order, the Company may cancel the credit from the Customer's account unless otherwise stated in the specific promotion.

3.13.12 All charges for service are exclusive of applicable federal, state, local taxes, and tax-related surcharges.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.13 Payment Arrangements, (Cont'd.)

3.13.13 If a Customer whose account has been closed has a credit balance showing, the Company will transfer the credit to another account of the Customer, if there is one, or will mail a check for the balance to the Customer if it believes it has a valid and current address. If the Company is not certain that it has a valid and current address, it will include a notice with the final invoice, which will be mailed to the Customer's last known address, asking the Customer to verify the address so that it can make a refund, or it will write to the Customer at that address and request verification. Such verification can be made by calling a designated telephone number or by writing to a specified address. Upon receiving verification, a check for the balance will be mailed. If the final invoice or the notification letter is returned by the post office as undeliverable, or if no response is received within thirty (30) days of mailing, the Company as its option may begin applying a closed account maintenance charge of $2.50 per month in the second monthly billing period following the month in which the account was closed, and will continue to apply that charge until the Customer requests a refund in writing or the balance is exhausted.

3.13.14 From time to time, the Company will grant credits against usage or recurring charges in an amount not to exceed $1,000.00 per Customer or account, per monthly billing period, whenever the Company determines, in its sole discretion, that such a credit is warranted due to consideration or disputes involving the delivery of past service to the Customer or account receiving the credit.

3.13.15 In lieu of the Customer receiving applicable volume discounts and/or promotional credits on a monthly invoice, the Company may, in its sole discretion, utilize other forms of payment.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.13 Payment Arrangements, (Cont'd.)

3.13.16 In the event that payment is made by check and the Customer's check is not honored by the institution on which it was drawn, the Company will impose, and the Customer will be required to pay, a $50.00 fee, in addition to other product guide, legal, and equitable remedies available to the Company.

3.13.17 If the Company disconnects a Customer's service for non-payment of past due amounts, the Customer's service will remain disconnected until such time as the Company receives payment for all past due amounts and confirms the availability of sufficient funds to satisfy the amount of payment.

3.13.18 The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.13 Payment Arrangements, (Cont'd.)

3.13.19 A surcharge will be imposed on all Customer's charges for outbound service originating at, or inbound service terminating at, addresses in states which levy, or assert a claim of right to levy: a) gross receipts tax on the Company's operations in any such state; or b) a tax on interstate access charges incurred by the Company for access to telephone exchanges in that state; or c) an ad valorem tax on the Company's interstate property located in that state. This surcharge is based, respectively, on the Company's: a) gross receipts or revenues in that state; and/or b) payment of interstate access charges in that state; and/or c) property located in that state and used by the Company to provide interstate service. The surcharge will be shown as a separate line item on the Customer's invoice.

3.13.20 Notwithstanding any statement to the contrary contained in this product guide, in the event that any regulatory agency, legislative body or court of competent jurisdiction promulgates regulations or modifies existing ones including, without limitation, regulations regarding payphones compensation, access charges and/or universal service ("Regulatory Activity), XO reserves the right, at any time and without notice to: (i) pass through to the Customer all, or a portion of, any charges or surcharges directly or indirectly related to such Regulatory Activity; or, (ii) modify the rates, including any rate guarantees, and/or terms and conditions contained in this product guide to reflect the impact of such Regulatory Activity.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.14 Special Access Surcharge

3.14.1 A monthly special access surcharge, required by the Local Exchange Carrier (LEC), applies to each local channel termination associated with Channel Service and Foreign Exchange Service Capability. This monthly surcharge is applicable when the local channel is connected to a PBX or equivalent device, which is capable of interconnecting the Channel Service or Foreign Exchange Service Capability with local exchange service. When analog or digital high capacity facilities interconnect with the local exchange network, the special access surcharge is applied on a per voice grade equivalent circuit basis as shown in the following example:

Calculation – (#Circuits) X ($25) = $ Per Circuit

Basic Digital **Facility**	Voice Grade **Equivalent**	Monthly **Surcharge**
Group	12 X $25 =	$300.00
DS1	24 X $25 -	$600.00

3.14.2 The special access surcharge applies on each local channel termination installed whether the interconnection capability exists in the Customer's premise equipment or in a Centrex CO type switch.

3.14.3 The Customer may be exempt from the monthly special access surcharge if:

(a) The Customer certifies in writing that the local channel termination is a device not capable of interconnecting the service with the local exchange network; or

(b) The Customer certifies that the local channel termination, by nature of its operating characteristics, could not make use of LEC common lines; or

(c) The Customer certifies that the local channel is connected to a LECs switched access service that is subject to carrier line charges.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.14 Special Access Surcharge, (Cont'd.)

3.14.4 The certification will be in the form of a written notification to the Company. The notification may be provided:

(a) At the time the service is ordered;

(b) At such time as the service is re-terminated to a device not capable of interconnecting to the local exchange network; or

(c) At such time as the local channel becomes associated with a switched access service that is subject to carrier common line charges.

3.14.5 If a written certification is not received at the time an order for new service is placed, the special access surcharge will be applied. The Company will cease billing the special access surcharge and the exempt status will become effective on the date the certification is received by the Company on services in place. If the Company charged the Customer prior to the receipt of the exemption certification, the Company will credit the Customer's account based on the effective date, not to exceed ninety (90) days, of the change specified by the Customer in the letter of certification.

3.15 Reserved for Future Use

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.16 Telecommunications Service Priority Provisioning and Restoration of Service

The provisioning and restoration of service in emergencies shall be in accordance with Part 64, Subpart D, Appendix A of the Federal Communications Commission's Rules and Regulations which specifies the prioritization for such activities.

3.17 Inspection

The Company may, upon reasonable notice, make such tests and inspections, as may be necessary to determine that the requirements of this product guide are being complied with-in the installation, operation, or maintenance of the Customer's service. The Company may interrupt the type service at any time, without penalty to the Company, because of departure from any of these requirements.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.18 Cancellation for Cause by the Company (See Section 3.3 for cancellation by customer)

3.18.1 The Company may discontinue the furnishing of any and/or all service(s) to a Customer, without incurring any liability, immediately and without notice if the Company deems, in its sole discretion, that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or services. The Company may discontinue service pursuant to this subsection if:

(a) The Customer refuses to furnish information to the Company regarding the Customer's creditworthiness, its past or current use of common carrier services, or its planned use of service(s);

(b) The Customer provided false information to the Company regarding the Customer's identity, address, creditworthiness, past or current use of common carrier communications services, or its planned use of Company service(s);

(c) The Customer states that it will not comply with a request by the Company for security for the payment for service(s) in accordance with Section **3.13.7** above or the Customer has been given written notice by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's services to which the Customer subscribes or had subscribed or used:

(d) The Customer either a) accesses the Company service by dialing the Company's Carrier Identification Code (CIC), or b) having presubscribed to the Company's service has had its account(s) canceled and has been removed from the Company's billing system and is being billed for its subsequent use of the Company's network by the local exchange carrier, and either refuses to pay when billed for the Company service(s) or indicates to the Company or its billing agent that it will not pay for Company service(s) used by it; or

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.18 Cancellation for Cause by the Company, (Cont'd.)

3.18.1 (cont'd.)

(e) A subscriber to the Company who accesses the service by use of an authorization code has not used the service (with the exception of calls to Directory Assistance) for ninety (90) days;

(f) Reserved for Future Use

(g) The Customer uses service to transmit a message, locate a person or otherwise give or obtain information without payment for the service:

(h) The Customer uses, or attempts to use, service with the intent to avoid the payment, either in whole or in part, of the poduct guide charges for the service:

(1) Using or attempting to use service by rearranging, tampering with, or making connections to the Company's service not authorized by this product guide;

(2) Using tricks, schemes, false or invalid numbers, false credit devices, electronic devices, or any other fraudulent means or devices.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.18 Cancellation for Cause by the Company, (Cont'd.)

3.18.2 Upon written notice to the Customer of any sum thirty (30) days past due, the Company may immediately cancel service pursuant to this section; or

3.18.3 Immediately upon written notice to the Customer, after failure of the Customer to comply with a request by the Company for security for the payment of service in accordance with Section **3.13.7** above for five (5) days after sending the Customer written notice of noncompliance with any provision of this product guide if the noncompliance is not corrected within that five (5) day period, the Company may immediately cancel service pursuant to this section; or

3.18.4 The Company may, without notice, cancel service pursuant to this section without notice, if the Customer's account has shown no usage for six (6) consecutive months.

3.18.5 The discontinuance of service(s) by the Company pursuant to this Section does not relieve the Customer of any obligation to pay the Company for charges, dues and owings for service(s) furnished up to the time of discontinuance. In the event the Company cancels the Customer's service for cause, and the Customer is committed to a term or other plan for which charges apply, the Customer will be obligated to pay as though it had terminated service early for its own convenience.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.19 Testing and Adjusting

Upon reasonable notice, the service provided by the Company shall be made available to the Company for such tests and adjustments as the Company deems necessary to maintain the service in satisfactory condition.

3.20 Terminal Equipment

3.20.1 Terminal equipment, such as teleprinters, handsets, or data sets at the premises of the Customer and between such premises and the Company terminals, shall be furnished by and maintained at the expense of the Customer, except as otherwise provided.

3.20.2 The characteristics of equipment at either end of the channel shall be such that its connection to the channel complies with the minimum protection criteria set forth below, and does not interfere with services furnished to other Customers. Additional protective equipment, where required, shall be provided and maintained at the Customer's expense.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.20 Terminal Equipment, (Cont'd.)

3.20.3 When services using local exchange carrier voice grade facilities are terminated in Customer-provided terminal equipment, channel derivation devices, or communications systems, the Customer shall comply with the minimum protective criteria set forth below.

3.20.3.1 When the facilities furnished under this product guide are used in common with local exchange carrier services, it is necessary, in order to prevent excessive noise and crosstalk, that the power of the signal applied to local exchange lines be limited. A single valued limit for all applications cannot be specified. Therefore, the power of the signal in the band above 300 Hertz, which may be applied by the Customer-provided equipment at the point of termination, will be specified by the Company for each application.

3.20.3.2 To protect the telecommunications services from interference at frequencies which are above the band of service provided, the Company will specify the acceptable signal power in the following bands to be applied by the Customer-provided equipment or communications systems at the point of termination to ensure that the input to local exchange carrier facilities does not exceed the limits indicated:

(a) The power in the band from 3995 Hertz to 4005 Hertz shall be at least 18 dB below the power of the signal as specified in Section 3.20.4

(b) The power in the band from 4000 Hertz to 10,000 Hertz shall not exceed 16 dB below one milliwatt.

(c) The power in the band from 10,000 Hertz to 25,000 Hertz shall not exceed 24 dB below one milliwatt.

(d) The power in the band from 25,000 Hertz to 40,000 Hertz shall not exceed 36 dB below one milliwatt.

(e) The power in the band above 40,000 Hertz shall not exceed 50 dB below one milliwatt.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.20 Terminal Equipment, (Cont'd.)

3.20.4 Where in connection via Customer-provided terminal equipment or communications systems to a Message Telecommunications Service or a WATS service, to prevent the interruption or disconnection of a call, or interference with network control signaling, it is necessary that the signal applied by the Customer-provided equipment to the interface at no time have energy solely in the 2450 Hertz to 2750 Hertz. If the signal is in the 2450 to 2750 Hertz, it must not exceed the power present at the same time in the 800 to 2450 Hertz Band.

3.20.5 Where such Customer-provided equipment or communications systems applies signals having components in the spectrum 300 Hertz, excluding ringing signals, the currents and voltages (including all harmonics and spurious) at the interface shall not exceed the limits indicated in Sections 3.20.5.1 through 3.20.5.4 following:

3.20.5.1 The maximum root-means-square ("rms") value, including DC and AC components, of the current per conductor will not exceed .035 ampere.

3.20.5.2 The magnitude of the peak of the conductor or ground voltage shall not exceed 70 volts.

3.20.5.3 The conductor voltage shall be such that the conductor ground voltage limit in .10 proceeding is not exceeded. If the signal source is not grounded, the voltage limit in .0342 preceding applies to the conductor to conductor voltage.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.20 Terminal - Equipment, (Cont'd.)

3.20.5 (cont'd.)

3.20.5.4 The total weighted rms voltage within the band from 50 Hertz to 300 Hertz shall not exceed 100 volts. The total weight rms is the square root of the sum of the products times the square of the rms voltage of the individual frequency components.

3.20.5.5 The weighting factors are as indicated:

For Frequencies Between	*Weight Factor*
50 Hertz and 100 Hertz	f 2/104
100 Hertz and 300 Hertz	f33/106.6

3.20.5.6 The Customer is responsible for all costs, which may include the expenses of Customer personnel, electrical power, etc. at the Customer's premises in the provision of the service described herein.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.21 Systems Security

3.21.1 Where Customers are permitted access to the Company's computer systems and date for the purpose of managing and maintaining their telecommunications services, they will comply with the following:

(a) Customers may access the Company's systems only to the extent required by an incident to administer and manage the Customer's telecommunications systems.

(b) Customers may not disclose or use information which may be learned as a consequence of access to Company systems except as may be directly required to ensure the proper operations of the Customer's telecommunications systems. Customers must take all reasonable precautions to prevent any other person or entity who does not have a need to know from acquiring such information.

(c) Customers shall not in any manner or form disclose, provide, or otherwise make available, in whole or in part, Company documentation, any related material or any other confidential material except to those who have a need to know incident to the use of Company services. All documentation shall remain the property of the Company and may not be copied, reproduced, or otherwise disseminated without the prior written permission of the Company.

(d) Customers shall take all responsible precautions to maintain the confidentiality of all Company documents. Such precautions shall include the use of Personal Identifications Numbers (PINs) and passwords selected by and known only to the Customer's individual authorized users. Company telephone numbers and dial-up access number(s) assigned to Customers by the Company, PINs, or any aspect of access and sign-on methodology shall not be posted or shared with others under any circumstances. Customers shall follow normal logoff procedures prior to leaving a terminal unattended. Customers should report any known or suspected attempt by others to gain unauthorized access.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.21 Systems Security, (Cont'd.)

3.21.2 In the event that a security access device assigned to a Customer for dial-up access is lost, stolen, or misplaced, the Customer must notify the Company immediately. Access to information beyond that authorized may result in civil and/or criminal penalties.

3.22 Allowance for Interruptions

3.22.1 Except as provided for in Section **3.5** above, which pertain to Directory Assistance, the following credit allowances for interruptions of Company services will be made:

(a) Except as provided for elsewhere in this product guide, credit allowances will be made for interruptions associated with those Company services for which charges are specified on the basis of per minute of use, or on usage of a fraction of a minute, and in which there may be interruption of an individual call, due to a condition in the Company's shared interexchange facilities or in shared access or termination facilities provided by other carriers, where the interruption can be remedied by redialing the calls. A credit allowance will be made for that portion of a call which is interrupted due to poor transmission (e.g. noisy circuit) quality, (e.g. noisy circuit), one-way transmission (one party is unable to hear the other); or involuntary disconnection caused by deficiencies in the Company's service. A Customer may also be granted credit for reaching a wrong number. To receive a credit, the Customer must notify a Company Customer Service Representative and furnish information, including the called number, the service subscribed to, the difficulty experienced, and the approximate time the call was placed, Credit allowances will not be made for a) interruptions not reported to the Company within twenty-four (24) hours, or b) interruptions that are due to the failure of power, equipment, systems, or services not provided by the Company. If the Customer elects to use another means of communications after one of the above interruptions, or during a period when he or she is unable to place a call over the Company, the Customer must pay the charges for the alternative service used.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.22 Allowance for Interruptions, (Cont'd.)

3.22.1 (cont'd.)

(b) An interruption period begins when the Customer reports to the Company that the service has been interrupted and releases it for testing and repair. An interruption period ends when the service is operative again. If the Customer reports the service to be inoperative but declines to release it for testing and repairs, the service is deemed to be impaired, but not interrupted. The Company may deny a Customer's request for credit where notification of alleged inferior, or inadequate service has not been received by the Company's Customer Service Department within twenty-four (24) hours of the occurrence. Credit will be allowed only for disabled portions of the service.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.22 Allowance for Interruptions, (Cont'd.)

3.22.1 (cont'd.)

(c) Where a call has been disconnected, the Customer will be given a credit allowance equivalent to the charge for the initial minute of the call made to reestablish communications with the other party. Where a call has been interrupted by poor transmission or one-way transmission, the Customer will be given a credit allowance equivalent to the charge for the initial minute of a call made to continue communicating with the other party to the interrupted call. A Customer who has reached a wrong number will be given a credit allowance to the charge for the initial minute of the wrong number if he or she reports the situation, within twenty-four (24) hours to a Company Customer Service Representative.

(d) For all of the Company's services which involve dedicated access, dedicated interexchange transmission and/or dedicated termination, for which monthly recurring charges are applied, which are interrupted for more than an individual call and cannot be remedied by redialing the call except as provided in Section 3.24 below, the Customer will be given a credit allowance for an interruption of two consecutive hours or more, in accordance with the following:

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.23 Outage Credit

3.23.1 For the purpose of this product guide, all months contain thirty (30) days. Services offered by the Company are on a twenty-four (24) hours per day, seven (7) days per week basis unless specifically stated otherwise.

3.23.2 For purposes of credit computations, every month shall be considered to have seven hundred twenty (720) hours.

3.23.3 The Customer shall be credited for an interruption of service on a prorated basis for the facilities affected for each period of two (2) hours or additional major fraction thereof. The prorated credit will be based on the monthly recurring charge of the affected Company circuit(s).

3.23.4 No credit allowance will be made for:

(a) Interruptions by the negligence of the Customer or others authorized by the Customer to use the Customer's service.

(b) Interruptions due to the failure of power, equipment, systems, or service not provided by the Company.

(c) Interruptions during any period during which the Company or its agents are not afforded access to the premises where access lines are associated with the Customer's service are terminated.

(d) Interruptions during any period when the Customer or user has released the service to the Company for maintenance or rearrangement purpose, or for the installation of a Customer order.

(e) Interruptions during the period when the Customer elects not to release the service for testing or repair and continues to use it on an impaired basis.

(f) Non-completion of calls due to network busy conditions or interruptions not reported to the Company.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.24 Interconnection with Other Carriers

3.24.1 Service furnished by the Company may be connected with services or facilities of another participating carrier. Such interconnection may be made at a Company terminal or entrance site, at a terminal of another participating carrier, or at the premises of a Customer, joint user, or authorized user. Service furnished by the Company is not part of a joint undertaking with other such carriers.

3.24.2 Any special interface equipment or facilities necessary to achieve compatibility between the facilities of the Company and other participating carriers shall be provided at the Customer's expense. Upon Customer request and acting as the Customer's authorized agent, the Company, in its discretion, may attempt to make the necessary arrangements for such interconnections.

3.24.3 Service furnished by the Company may be connected with the facilities or services of other participating carriers under the terms and conditions of the other participating carriers' tariffs applicable to such connections.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.25 Special Construction

Subject to the arrangement of the Company and to all of the regulations contained in this product guide, special construction of facilities may be undertaken on a reasonable effort basis at the request of the Customer. Special construction is that construction undertaken:

(a) where facilities are not presently available, and there is no other requirement for the facilities so constructed;

(b) of a type other than that which the Company would normally utilize in the furnishing of its services;

(c) over a route other than that which the Company would normally utilize in the furnishing of its services;

(d) in a quantity greater than that which the Company would normally construct;

(e) on an expedited basis;

(f) on a temporary basis until permanent facilities are available;

(g) involving abnormal costs; or

(h) in advance of its normal construction.

3.26 Reserved for Future Use

3.27 Reserved for Future Use

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.28 Schools and Libraries Discount Program

3.28.1 General

The School and Library Discount Program permits eligible schools (public and private, grades Kindergarten through 12) and libraries to purchase the Company services offered in this product guide at a discounted rate, in accordance with the Rules adopted by the Federal Communications Commission (FCC) in its Universal Service Order 97-157, issued May 8, 1997. The Rules are codified at 37 Code of Federal Regulation (C.F.R.) 54.500 et. seq.

As indicated in the Rules, the discounts will be between 20 and 90 percent of the pre-discount price, which is the price of services to schools and libraries prior to application of a discount. The level of discount will be based on the eligible school or library level of economic disadvantage and by its location in either an urban or rural area. A school's level of economic disadvantage will be determined by the percentage of its students eligible for participation in the national school lunch program, and a library's level of economic disadvantage will be calculated on the basis of school lunch eligibility in the public school district in which the library is located. A non-public school may use either eligibility for the national school lunch program or other federally approved alternative measures to determine its level of economic disadvantage. To be eligible for the discount, schools and libraries will be required to comply with the terms and conditions set forth in the Rules. Discounts are available only to the extent that they are funded by the federal Universal Service Fund (USF). Schools and libraries may aggregate demand with other eligible entities to create a consortium.

SECTION 3 - RULES AND REGULATIONS, (CONT'D.)

3.28 Schools and Libraries Discount Program, (Cont'd.)

3.28.2 Regulations

Obligation of eligible schools and libraries:

3.28.2.1 Requests for service:

(a) Schools, libraries, and consortia shall participate in a competitive bidding process for all services eligible for discounts, in accordance with any state and local procurement rules.

(b) Schools, libraries, and consortia shall submit requests for services to the School and Library Corporation, as designated by the FCC, and follow established procedures.

(c) Services requested will be used for educational purposes.

(d) Services will not be sold, resold or transferred in consideration for money or any other thing of value.

3.28.2.2 Obligations of the Company:

(a) The Company will offer discounts to eligible schools and libraries on commercially available telecommunications services contained in this product guide.

(b) The Company will offer services to eligible schools, libraries, and consortia at prices no higher than the lowest price it charges to similarly situated non-residential Customers for similar services (lowest corresponding price).

(c) In competitive bidding situations, the Company may offer flexible pricing or rates other than in this product guide, where flexible pricing arrangements are allowed.