

**VARTEC TELECOM, INC.
TERMS AND CONDITIONS
OF LONG DISTANCE SERVICE**

This agreement ("Agreement") provides you with guidelines for using our interstate and international long distance Services. This agreement does not cover non-contractual services accessed via a Carrier Access Code. PLEASE READ THESE TERMS AND CONDITIONS CAREFULLY AND RETAIN THIS DOCUMENT FOR YOUR FUTURE REFERENCE. PLEASE STORE THIS AGREEMENT WITH YOUR IMPORTANT DOCUMENTS. This Agreement, together with the current rates and restrictions applicable to your calling plan, governs the relationship between you and VarTec Telecom, Inc. ("VarTec") d/b/a VarTec Telecom®, d/b/a ClearChoice Communications®, d/b/a Telephone Express™ (collectively referred to herein as "VarTec") and explains your respective legal rights and ours concerning all aspects of our relationship, including:

- Billing and charges
- Starting and ending service
- Privacy and confidentiality
- Early termination fees (if applicable)
- Limitations of liability and warranties
- Resolution of disputes by arbitration instead of court proceedings and class actions

By enrolling in or subscribing to our Service, as defined herein, you are agreeing to abide by the rates, charges and general terms and conditions of this Agreement. If you are an existing customer, your continued use, payment for, enrollment or subscription to our Service represents your acceptance of these terms and conditions of service. If you do not agree to the terms and conditions set forth in this Agreement, please contact us prior to using our Service or as soon as possible thereafter, and cancel your subscription by notifying us at our toll-free customer service number (888) 447-9722 or (800) 520-4001 TTY for people with hearing and/or speech disabilities. VarTec will terminate your ability to make calls using our Service; however, you must make arrangements to switch to a new telephone company for continued long distance service.

Unless you have selected a Service Plan or promotion that requires a fixed term of more than one month (such as a one-year Service Plan), you may cancel VarTec Service at any time without incurring early termination fees. Term plan customers who do not agree to the terms and conditions set forth in this Agreement must contact us to discuss termination options.

1. Definitions

As used in this Agreement, the following words have these respective meanings:

- a. **"Agreement"** means this Agreement between you and us.
- b. **"Customer"** or **"you"** means the person subscribing to our Services and with whom we have entered into this Agreement. This includes a person we reasonably believe is acting with the authority or knowledge of the person whose name is on the account.
- c. **"VarTec and VarTec Telecom"** means VarTec Telecom, Inc. d/b/a VarTec Telecom®, d/b/a ClearChoice Communications®, d/b/a Telephone Express™ (collectively referred to herein as "VarTec" and its successors and assigns. "VarTec" is also referred to in this Agreement as "Company", "us", "our" and "we".
- d. **"Parties"** means VarTec Telecom and you.
- e. **"Service"** means the state-to-state and international telecommunications services originating at various points within the United States and which we provide to you, including voice or fax/data long distance telephone calls and other state-to-state and international telecommunications services that we may offer in the future.
- f. **"Service Plan"** means any rate plan, written description or supporting material, including the VarTec Welcome Package, describing the terms and conditions of VarTec providing a Service and/or rate or rate plan.
- g. **"Subscribe"** means the point at which you are able to utilize VarTec Service.

2. Service

a. **Term/Early Cancellation Fee.** The term of this Agreement for each Service depends on the Service feature or promotion you select as it is described in a separate VarTec Service Plan description, in feature or supporting materials, or a VarTec Price List and/or a VarTec Service Guide. All of these publications are a part of this Agreement. The term of this Agreement for your Service begins on the date you Subscribe to the Service. If you select a Service Plan or promotion that requires a fixed term of more than one month (such as a one-year Service plan), you agree to purchase Service for the full term. After that fixed term expires, or if you are not on a fixed term (such as a "monthly" Service Plan), this Agreement will continue on a month-to-month basis until terminated by either you or us. If you select a Service Plan, feature or promotion with a fixed term, you may terminate this Agreement with respect to any Service within 30 days after your activation date of that Service. If you terminate more than 30 days after your Subscription date, but before the end of your fixed term, or we terminate following your default, you will be in material breach of this Agreement. You agree our damages will be difficult or impossible to determine and agree to pay us, as a reasonable estimate of our damages (not as a penalty) and in addition to all other amounts you owe, any cancellation fee applicable to the Service. In addition, you may not be eligible for new Service and/or customer promotions in the future.

b. **Rates.** Your Service rates and other charges and conditions are described in your Service Plan, which is a part of this Agreement. Service Plan information is maintained at www.vartec.com and in VarTec's public reference document, which is available for inspection at VarTec's headquarters in Dallas, Texas. You may also view the current rates on the Internet by visiting www.vartec.com/ratechanges or by calling (888) 447-9722 or (800) 520-4001 TTY for people with hearing and/or speech disabilities to obtain a copy of the public reference document. We may charge you for copying, handling and postage charges we incur. We may change your Service Plan in accordance with paragraph 9 ("Changes to this Agreement"). If you misrepresent your eligibility for any Service Plan, you agree to pay us the additional amount you would have been charged under the most favorable Service Plan for which you are eligible. We may change the prices or add new Service Plans with new prices, or we may delete Service Plans or prices. The appropriate charges for your purchase will be billed to you on your bill. Usage charges for Service are based upon the total time that you use VarTec Service, subject to applicable billing increments and any additional charges which may apply. For messages which overlap one or more rate periods, the rate in effect for each portion of the call is applicable. Usage begins when the called party picks up the receiver, as determined by hardware answer supervision. Chargeable time ends when either party hangs up, thereby releasing the service connection. Each call completed will have an initial minimum charge of at least one minute, unless a greater or lesser billing increment is specified in the Service Plan, and any time beyond that minimum will be billed in additional one minute increments, rounded up to the next whole minute, unless a greater or lesser billing increment is specified in the Service Plan. Billing increments are determined by the Service Plan you select. In addition, if the computed call charges include a fraction of a cent, the fraction is rounded up to the next whole cent.

c. **Availability/Interruption.** We do not warrant or represent that the Service will operate without interruption or that it will operate continuously. The Service we offer is subject to necessary facilities and equipment being available from other carriers. We may have to do things such as change the code or telephone number assigned to or used by you or the technical specifications of the Service, or interrupt the Service to perform tests and inspections or for operational or emergency reasons, or to install equipment, or provide information we think is necessary for health or safety, or

concerning the quality of the Service we provide. If we must interrupt your Service for any of these reasons, we will endeavor, using reasonable means, to restore it as quickly as the underlying matter is resolved without any promise as to when we will be able to restore service; however, we do reserve the right to disconnect or limit Service when it is necessary or when we must comply with laws or regulations or if you are using the Service in violation of any provisions of this Agreement or the law, in our sole discretion. Service is subject to transmission limitation or interruption caused by weather, terrain, obstructions such as trees or buildings, and other conditions. Service may be limited in some areas where coverage is not available or may be temporarily limited or interrupted due to system capacity limitations and system repairs or modifications or to combat potential fraud. Interruption may also result from nonpayment of charges by you. We may choose to block calls to certain numbers if, in our sole discretion, we are experiencing excessive billing, collection or fraud problems with calls to those numbers. If Service is interrupted for at least 24 hours and neither you nor someone you authorized to use the Service helped cause the interruption, a credit not to exceed the amount of our service charges during the affected period will be made to your account for the time Service was interrupted, if you request it. If based on our records and your documentation we determine that you are entitled to a credit, the credit will be provided on a subsequent bill rendered after our determination has been made.

d. Use of Service. You agree not to use the Service for any unlawful or abusive purpose, or in a way contrary to the Company's rules or the terms and conditions of this Agreement, or in any way that damages our property or interferes with or disrupts our system or other users or that is in any way unlawful, fraudulent or abusive or in any way that indicates the intention to use the Service in an unlawful, fraudulent or abusive manner. You must comply with all laws while using the Service and you must not transmit any communication which would violate any laws, court order, or regulation, or would likely be offensive or injurious to the recipient. You are responsible for all content you transmit while using the Service. Resale of Service is prohibited without our prior written consent and your attainment of any required regulatory approvals. You may not install any amplifiers, enhancers, repeaters or other devices, which modify, disrupt or interfere in any way with the radio frequency utilized by us to provide Service. You have no ownership rights to and you may not transfer or duplicate any assigned telephone number that may be provisioned by us to be used with any Service, and you agree we may change any such telephone number at any time with or without prior notice to you. Some services may not be available or may operate differently in selected markets or jurisdictions. We may add or delete coverage without providing notice to you. We reserve the right to discontinue service, limit service, or to impose requirements on you as required to meet changing regulatory rules and standards of the Federal Communications Commission or other regulatory agency having jurisdiction over the Service offered to you under this Agreement.

e. Unauthorized Usage. If your Service is fraudulently used, you must immediately notify us and provide us with the documentation and information we request (including affidavits and police reports). Until you notify us, you will remain responsible for all charges made to your account. You agree to cooperate with us in any fraud investigation and to use any fraud prevention measures we prescribe. Failure to provide reasonable cooperation will result in your liability for all fraudulent usage.

f. Monthly Recurring Charges. Any Monthly Recurring Charge (MRC) applicable to your service plan is billed in advance and applies whether or not you make any calls, and whether or not your billing period covers a full month. If you discontinue Excel as your primary long distance carrier, long distance usage charges and/or the MRC, depending on your service plan, will continue to apply until you contact your local incumbent carrier and choose another primary long distance provider.

3. Charges/Payments/Default

a. Generally. You are responsible for paying all charges to your account, including but not limited to: airtime, access, features, data usage, long distance, directory, calling card and operator assistance charges (such as collect calls, calls billed to your number via Third Number Billing), charges incurred at your specific request, monthly recurring charges, and any taxes, surcharges, fees, assessments, or recoveries determined by us to be imposed on you or us as a result of use of the Service on your account or the purchase of goods. This responsibility is not changed by virtue of any use, misuse, or abuse of your Service undertaken or caused by third parties. If you subscribe to or activate Service on behalf of another but were unauthorized to do so, you will be personally responsible for all charges to the account and will be fully bound by this Agreement as though you had activated Service on your own behalf.

b. Billing and Payment. We will provide your bill in a format we choose, which may change from time to time. If we choose to use a payment agent instead of rendering a bill directly to you, then all charges due by you are payable to any agency duly authorized to receive such payments. The billing agent may be a local exchange telephone company, credit card company or other billing service. The terms and conditions for billing, payment and collection, including without limitation, any late payment charge, specified in this Agreement or in the local exchange telephone company's tariffs, or local exchange service agreement, when the local exchange telephone company serves as the billing agent for the Company, or buys the Company's account receivables, shall apply to charges of the Company.

c. Terms of Payment. Payment shall be in accordance with and subject to the rules and regulations of regulatory agencies having jurisdiction over the Service, and payment of all charges is due by the due date printed on your invoice.

d. Billing Cycle. Billing cycle end dates may change from time to time. When we change a billing cycle such that it covers less than or more than a full month, we may make reasonable adjustments and prorrations. Usage may be back billed in a subsequent month to the extent allowed by applicable law, and if so, this usage will be charged as if used in the month billed. If you have authorized payment by credit card, no additional notice or consent will be required for billings to that credit card or account.

e. Monthly Recurring Charges. You may incur a service charge for your Service Plan, which will appear on your monthly invoice. Monthly recurring charges are incurred whether you place a call in that month or not.

f. Customer Service. If you have a service or billing problem or inquiry, you may contact us at the telephone number on your bill or you may call VarTec's Customer Service Department toll free at (888) 447-9722 or (800) 520-4001 TTY for people with hearing and/or speech disabilities. We will make all reasonable attempts to resolve your problem or inquiry.

g. Late Payments/Disputes. You agree to pay us a late payment fee of up to the maximum amount permitted by applicable law or regulation for the period(s) for which such charges would have been payable, for amounts unpaid after the invoice due date(s). Even if we accept late or partial payments (including those marked "Paid in Full" or similar text) it will not waive any of our rights to collect the full amount due under this Agreement. We will assess an additional fee for any check returned for nonpayment. All amounts due must be paid by the due date. If you object to any of the charges on your bill refer to section 7 of this agreement.

4. Discontinuance of Service/Termination.

a. Non-Payment. Upon non-payment of any sum due, or upon violation of any of the conditions governing the furnishing of service as provided in this Agreement, the Company may, by notice in writing mailed to you, and without incurring any liability, temporarily discontinue the furnishing of Service to you. Service may be discontinued seven (7) days after mailing notice of our intention to discontinue service. A Service restoration charge may apply. If we elect to discontinue service, you shall be responsible for all charges through the date of termination. In the event service is temporarily suspended for non-payment, such service will be restored upon payment of all charges due. If you are subject to any proceeding under the Bankruptcy Act or similar laws, you will be in default and we may, without notice to you, suspend Service and/or terminate this Agreement, in addition to all other remedies available to us. If we suspend the Services and you miss another payment during the 12 months after we resume the Services, we may then suspend the Services or terminate this Agreement (or both) 14 days after the payment was due. Customers who have not re-established within five (5) days from the date of suspension will be treated as new Customers and appropriate non-recurring charges and customer deposits will apply. Despite temporary suspension of your Service for non-payment or termination of your Service, you are still responsible for paying all amounts and charges that you owe under this Agreement, including any applicable cancellation fee.

b. Fraud/Abuse/Illegal Activity. We have the right to interrupt, restrict, suspend or terminate Service, without notice to you, if we suspect fraudulent, illegal or abusive activity. Examples of such abusive and/or illegal activity include but are not limited to using obscene language to annoy, harass, or threaten injury to the person or property of the person called or any member of his or her family; or actions that involved repeated calls without identifying your true identity to the person called, whether or not a conversation was had during the call; or the repeated placement of harassing calls to us or to any of our affiliated companies including calls in which the caller uses abusive or threatening language. Examples of fraudulent and/or illegal activity include but are not limited to furnishing false information to obtain Service; the use of the Service to transmit a message or locate a person or otherwise give or obtain information without payment of long distance charges; unusually high usage, or intentional uninterrupted connections or intentionally leaving the receiver off the hook for extended periods. We also have the right to interrupt, restrict or terminate the Service if you use any equipment with the Service in violation of the law or in a manner which will adversely affect our service to others or, if you breach any representation to us or fail to perform any of the promises you made in this Agreement. We may require your payment of Service restoration charges to renew Service after termination or suspension.

5. Credit and Collection.

a. Credit Checks. You authorize us to ask consumer reporting agencies or trade references to furnish us with employment and credit information, and you consent to our rechecking and reporting personal and/or business payment and credit history. If you believe that we have reported inaccurate information about your account to a consumer-reporting agency, you may send us a written notice describing the specific inaccuracy. If your financial condition is not acceptable to VarTec, or is not a matter of general knowledge, we may require that you make an initial deposit, or you may be required at any time afterwards to make a deposit, or we may set a service limit before we establish or maintain Service for you. The deposit will be held as a partial guarantee of payment. It cannot be used by you to pay your bill or delay payment. Unless otherwise required by law, deposits may be mixed with other funds and will not earn you interest. We may require you to increase your deposit at any time to reflect your estimated monthly charges and we will base that increase on your actual use of the Service or on our reevaluation of your ability to pay. You may ask us to reevaluate your deposit on an annual basis, which may result in a partial or total refund of the deposit to you or a credit to your account. If you default or this Agreement is terminated, we may, without notice to you, apply any deposit towards payment of charges due. Unless otherwise required by law, after approximately 120 days following termination of this Agreement, any remaining deposit or other credit will be returned without interest to you at your last known address.

b. Credit Card & Service Restrictions. If you choose to pay by credit card, you agree to the rules governing that payment option, including applicable limits on the amount of Service that may be used before making a payment. No additional notice or consent is required before we invoice your credit card or debit the account for all amounts due to us. If you choose to pay by credit card we will notify you of any limits that we impose. If such limits are placed on your account, you may be required to pay for Service with a valid major credit card. You agree to provide a credit card and not a debit card for this feature. You also agree to indemnify us for any claims or expenses resulting from your providing a debit card instead of a credit card. IF YOU CHOOSE THIS OPTION, YOU AGREE THAT WE MAY CHARGE YOUR CREDIT CARD FOR SERVICE WHEN YOUR LIMIT HAS BEEN REACHED. THIS PRACTICE MAY RESULT IN YOUR CREDIT CARD BEING CHARGED MORE THAN ONE TIME IN A MONTH. If your credit card is invalid or payment is not made by the issuer of your credit card at the time that a charge is attempted, you will not be able to use the Service until your account is paid in full. We may change the rules governing this payment option, or we may stop offering this option any time upon notice to you.

c. Account Information. We may assume that any person able to provide your name, address, the last four digits of your social security number, and/or information about you which is not publicly available is authorized by you to receive information about and make changes to your account, including adding new Services. If you are receiving Service on a business Service Plan through your employer, you authorize us to share your account information with your employer.

d. Collection Fees and Expenses. VarTec may charge you for all fees or expenses (including attorneys' fees) reasonably incurred in collecting or attempting to collect any charges owed VarTec. In addition, if your unpaid charges are referred to an outside collection agency, VarTec may immediately begin to charge you a collection fee on the unpaid charges at a rate of one and one-half percent (1.5%) per month. Such collection fees are separate and distinct from late payment charges assessed prior to referral of your account to an outside collection agency, attorneys' fees and other costs incurred in collecting charges owed VarTec. You will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

e. Credit and Collection Practices. VarTec may collect on behalf of the Company and/or its affiliates in one or more transactions as permitted by law. VarTec reserves the right to apply credit balances from one VarTec affiliate to another to satisfy outstanding account balances.

6. Limitation of Our Liability

We intend for the following limitations and exclusions of our liability to apply to the fullest extent permitted by law.

a. Limitation of Liability. WE ARE NOT LIABLE FOR ACTS OR OMISSIONS OF ANOTHER SERVICE PROVIDER, FOR INFORMATION, THIRD PARTY SERVICES, OR GOODS PROVIDED OR OBTAINED THROUGH EQUIPMENT, EQUIPMENT FAILURE OR MODIFICATION, OR CAUSES BEYOND OUR CONTROL UNLESS CAUSED BY OUR GROSS NEGLIGENCE. WE ARE NOT LIABLE FOR SERVICE OUTAGES OF 24 HOURS OR LESS OR FOR SERVICE LIMITATIONS OR INTERRUPTIONS. OUR LIABILITY AND THE LIABILITY OF ANY UNDERLYING CARRIER FOR ANY FAILURE OR MISTAKE WILL IN NO EVENT EXCEED OUR SERVICE CHARGES DURING THE AFFECTED PERIOD. WE ARE NOT LIABLE FOR ANY INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES SUCH AS LOST PROFITS. WE ARE NOT LIABLE FOR (i) ECONOMIC LOSS OR INJURIES TO PERSONS OR PROPERTY ARISING FROM USE OF THE SERVICE, OR ANY EQUIPMENT USED UNLESS CAUSED BY OUR GROSS NEGLIGENCE, OR (ii) THE INSTALLATION OR REPAIR OF THE EQUIPMENT BY ANYONE WHO IS NOT OUR EMPLOYEE. WE ARE NOT LIABLE FOR ANY ACT ASSOCIATED WITH THE PROPER EXERCISE OF RIGHTS UNDER THE PRIVACY AND/OR UNAUTHORIZED USAGE PROVISIONS OF THIS AGREEMENT. IN NO EVENT SHALL WE BE LIABLE FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS AND LOST SAVINGS, ARISING OUT OF, RESULTING FROM, OR IN ANY WAY RELATED TO THE SERVICES AND FACILITIES FURNISHED BY VARTEC, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS PARAGRAPH WILL SURVIVE TERMINATION OF THIS AGREEMENT. WE DO NOT HANDLE EMERGENCY CALLS. WE ARE NOT LIABLE IN ANY WAY FOR ANY CALL TO ANY EMERGENCY PROVIDER OR THE FAILURE TO CONNECT TO SUCH PROVIDER OR ANY ACTION THAT OCCURS OR FAILS TO OCCUR AS A RESULT.

b. Indemnification. YOU AGREE TO DEFEND, INDEMNIFY, AND HOLD US, OUR AFFILIATES AND AGENTS AND ANYONE PROVIDING SERVICES TO YOU ON OUR BEHALF, HARMLESS FROM CLAIMS OR DAMAGES RELATING TO THIS AGREEMENT OR OUR PROMISES OR STATEMENTS MADE IN IT AND USE OF THE EQUIPMENT OR SERVICE, UNLESS DUE TO OUR GROSS NEGLIGENCE. VARTEC SHALL NOT BE LIABLE FOR, AND SHALL BE FULLY INDEMNIFIED AND HELD HARMLESS BY YOU AGAINST ANY CLAIM OR LOSS, EXPENSE, OR DAMAGE (INCLUDING INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE) FOR DEFAMATION, LIBEL, SLANDER, INVASION OF PRIVACY, INFRINGEMENT OF COPYRIGHT OR PATENT, UNAUTHORIZED USE OF ANY TRADEMARK, TRADE NAME OR SERVICE MARK, UNFAIR COMPETITION, INTERFERENCE WITH OR MISAPPROPRIATION OR VIOLATION OF ANY CONTRACT, PROPRIETARY OR CREATIVE RIGHT, OR ANY OTHER INJURY TO ANY PERSON, PROPERTY OR ENTITY ARISING OUT OF THE MATERIAL, DATA, INFORMATION, OR OTHER CONTENT REVEALED TO, TRANSMITTED, PROCESSED, HANDLED OR USED BY US UNDER THIS AGREEMENT; FOR CONNECTING, COMBINING, OR ADAPTING OUR FACILITIES WITH YOUR APPARATUS OR SYSTEMS; FOR ANY ACT OR OMISSION OR FOR ANY PERSONAL INJURY OR DEATH OF ANY PERSON OR FOR ANY LOSS OF OR DAMAGE TO YOUR PREMISES OR ANY OTHER PROPERTY, WHETHER OWNED BY YOU OR OTHERS, CAUSED DIRECTLY OR INDIRECTLY BY THE INSTALLATION, MAINTENANCE, LOCATION, CONDITION, OPERATION, FAILURE, PRESENCE, USE, OR REMOVAL OF EQUIPMENT OR WIRING PROVIDED BY US, IF NOT DIRECTLY

CAUSED BY OUR GROSS NEGLIGENCE; OR FOR FAILURE TO PROVIDE SERVICE. IT IS YOUR RESPONSIBILITY TO CONFORM TO ALL LAWS OR REGULATIONS APPLICABLE TO YOU IN YOUR CAPACITY AS USER OF THE SERVICE AND YOU WILL INDEMNIFY US FROM CLAIMS ARISING FROM ANY SUCH USE WHETHER LAWFUL OR NOT. THIS PARAGRAPH WILL SURVIVE TERMINATION OF THIS AGREEMENT

c. No Warranties. WE MAKE NO EXPRESS WARRANTY REGARDING THE SERVICE OR EQUIPMENT AND DISCLAIM ANY IMPLIED WARRANTY, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WE DO NOT AUTHORIZE ANYONE TO MAKE ANY WARRANTY ON OUR BEHALF AND YOU SHOULD NOT RELY ON ANY SUCH STATEMENT. WE ARE NOT THE MANUFACTURER OF EQUIPMENT AND ANY STATEMENT REGARDING IT SHOULD NOT BE INTERPRETED AS A WARRANTY. THIS PARAGRAPH WILL SURVIVE TERMINATION OF THIS AGREEMENT.

d. Force Majeure — Matters Beyond our Reasonable Control. If we cannot do what we have promised in this Agreement because of something beyond our reasonable control such as lightning, flood, exceptionally severe weather, or other Acts of God, fire or explosion, civil disorder, war or military operations, national or local emergency, anything done by any government or other competent authority or labor difficulties of any kind (including those involving our employees), we will not be liable for this. However, we will refund one day's average Service fee to you for any day, or part day, that there is a failure of the Service because of something beyond our reasonable control.

7. DISPUTE RESOLUTION/BINDING ARBITRATION

IT IS IMPORTANT THAT YOU READ THIS ENTIRE SECTION CAREFULLY. THIS SECTION PROVIDES FOR RESOLUTION OF DISPUTES THROUGH FINAL AND BINDING ARBITRATION BEFORE A NEUTRAL ARBITRATOR INSTEAD OF IN A COURT BY A JUDGE OR JURY OR THROUGH CLASS ACTION. YOU CONTINUE TO HAVE CERTAIN RIGHTS TO OBTAIN RELIEF FROM A FEDERAL OR STATE REGULATORY AGENCY.

a. If you have a dispute regarding your service or bill, you should first call the Company's Customer Service at 1-888-447-9722.

b. Before initiating or participating in any arbitration or other resolution proceeding concerning any aspect of this Agreement or regarding the Company's products or Services, you must notify the Company in writing of such a dispute and give the Company at least 60 days (from the time you first notified the Company in writing) to resolve the dispute. Such written notice should be mailed to: Legal/Regulatory Department, VarTec Telecom, Inc., 1600 Viceroy Drive, Dallas, Texas 75235. The parties will attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to this agreement.

c. If you do not notify VarTec in writing of a dispute with respect to VarTec's charges, or application of taxes, within six (6) months from the date of the disputed invoice, such invoice will be deemed to be correct and binding on you.

d. If a dispute is not resolved by good faith negotiations, you have the right to take any dispute that qualifies to small claims court rather than arbitration or a state or federal regulatory agency. All other disputes arising out of or related to this Agreement or the Company's products or services not resolved by good faith negotiations within sixty (60) days from the date you notify the Company in writing, regardless as to whether the dispute is based in contract, tort, statute, fraud, misrepresentation, or any other legal or equitable theory, must be submitted for final and binding arbitration. The arbitrator will have no authority to award consequential, incidental, punitive, or exemplary damages and both you and the Company expressly waive their rights to any such damages. To the extent such damages may not be so waived, if an arbitrator decides to award such damages they shall be limited to the total amount of service charges between the Parties. Unless applicable substantive law provides otherwise, each party pays its own expenses to participate in the arbitration, including attorney's fees and expenses for witnesses and production and presentation of evidence.

e. The arbitrator will have no authority to award consequential, incidental, punitive, or exemplary damages and both you and the Company expressly waive their rights to any such damages. To the extent such damages may not be so waived, if an arbitrator decides to award such damages they shall be limited to the total amount of service charges between the parties. Unless applicable substantive law provides otherwise, each party pays its own expenses to participate in the arbitration, including attorney's fees and expenses for witnesses and production and presentation of evidence.

f. The procedures set forth in this Dispute Resolution section are governed by the United States Arbitration Act, 9 U.S.C. Sections 1-16 et seq. ("USAA"). Any controversy over whether an issue is arbitrable will be determined by the arbitrator. The award may be confirmed and enforced in any court of competent jurisdiction. All post-award proceedings will be governed by the USAA.

g. EACH DISPUTE WILL BE DECIDED ON AN INDIVIDUAL CASE BASIS AND WILL NOT BE CONSOLIDATED IN ANY ACTION WITH THE DISPUTES OR CLAIMS OF OTHER CONSUMERS OR CUSTOMERS. YOU AGREE THAT YOU MAY NOT BRING ANY DISPUTE OR CLAIM AS A CLASS ACTION OR AS A PRIVATE ATTORNEY GENERAL, AND YOU AGREE NOT TO ACT AS A CLASS REPRESENTATIVE OR PARTICIPATE AS A MEMBER OF A CLASS OF CLAIMANTS WITH RESPECT TO ANY DISPUTE OR CLAIM RELATING TO THIS AGREEMENT OR THE SERVICES PROVIDED BY THE COMPANY.

h. CALIFORNIA RESIDENTS ONLY: SECTION 7, SUBPARTS (E) AND (G) ARE NOT APPLICABLE TO CALIFORNIA RESIDENTS. FOR ARBITRATIONS INITIATED BY CALIFORNIA RESIDENTS, THE DIVISION OF COSTS SHALL BE WITHIN THE DISCRETION OF THE ARBITRATOR AND THERE SHALL BE NO PRESUMPTION THAT THE COSTS SHALL BE SPLIT BETWEEN THE PARTIES. WITH RESPECT TO CALIFORNIA RESIDENTS ONLY, ANY REQUIREMENT UNDER THE USAA OR THE CASES INTERPRETING THE USAA THAT CONFLICT WITH SUBPART (F) ABOVE SHALL BE EXPRESSLY WAIVED.

i. Any dispute or claim arising out of or relating to this Agreement or the services provided by the company must be brought within two (2) years after the date in which the basis for the dispute or claim first arises.

j. If any portion of this Dispute Resolution section is determined by a court to be inapplicable or invalid, then the remainder will still be fully effective and enforceable.

8. Compliance with Law and Choice of Law

a. General. The Company and you agree to comply with all applicable laws, rules, regulations, ordinances, orders, and decrees in performing this Agreement. You may be subject to refusal, suspension or cancellation of Service, without prior notice, in order to permit the Company to comply with any order or request of any governmental authority having jurisdiction. Any equipment or services that you provide and which connects with and/or interconnects with the Company's service and equipment must comply with federal and state laws and regulations. This Agreement will be construed in accordance with, governed by, and subject to the domestic laws of the State of Texas.

b. Federal Communications Commission/State Courts. Where our Service terms and conditions are regulated by a state agency or the Federal Communications Commission; and if there is any inconsistency between this Agreement and those regulations, those regulations shall govern and this Agreement shall survive and be deemed amended as necessary to conform to such regulations. To the extent this Agreement is not subject to FCC or state regulations, you agree that this Agreement and the relationship between VarTec and you are governed by the laws of the State of Texas.

9. Changes to this Agreement

We may amend this Agreement, including provisions regarding the use of our Services, products, equipment, or Service Plans, charges and prices at any time. You have the option to change your Service or features at any time by notifying us, and you may take advantage of those of our promotions for which you qualify, provided that you comply with any requirements of the change or the promotion, including, where applicable, extending the term of this Agreement. If we allow you to suspend your account for a temporary period, we may extend the term of your Agreement by the length of the temporary suspension. Nonsubstantive changes (those that do not affect the terms or conditions of service, for example, the correction of typographical errors) and changes that do not adversely affect you may be made by us without notice to you.

10. How to Give Notice to Us

The notice given under this Agreement must be delivered postage prepaid to the address shown below:

VarTec Telecom, Inc.
1600 Viceroy Drive
Dallas, TX 75235

If you do not agree with the terms and conditions set forth in this Agreement or any amendment, please contact us prior to using your Service and cancel your subscription by notifying us at our toll-free customer service number (888) 447-9722 or (800) 520-4001 TTY for people with hearing and/or speech disabilities. If we change our address, we will notify you on your bill or by other written and/or electronic means. Written notice to us will be effective when it has been addressed to our Customer Care Department and when the written notice has been received by us. Your notice must specify your account number(s) and telephone number(s). Verbal notices will be deemed effective on the date reflected in our records.

11. How We Give Notice to You.

Any changes to your Interstate and International rates will become effective only after the Company notifies you at least 10 days in advance of such change through one of the following means: (i) by postcard or letter; (ii) by a message with your invoice; (iii) by calling and speaking to you or by leaving a message for you; (iv) by e-mail, with your consent; (v) at a minimum, changes to any rates, charges or terms and conditions in the Agreement will be published in the Company's website at least 10 days in advance of such change and will be incorporated by reference into this Agreement. We will provide e-mail notice to those customers who prefer to receive such notices via e-mail when VarTec begins providing that service. FOR CALIFORNIA RESIDENTS ONLY: THE NOTICE PERIOD IN SECTION 11 IS MODIFIED TO 10 DAYS IN ADVANCE FOR ANY IMMATERIAL CHANGE AND 30 DAYS FOR ANY MATERIAL CHANGE WHICH INCLUDES RATE CHANGES AND OTHER CHANGES TO THE TERMS AND CONDITIONS IN THE AGREEMENT WHICH THE COMPANY BELIEVES ARE MATERIAL TO YOUR SCOPE OF SERVICES.

12. Important Information About Customer Proprietary Network Information ("CPNI") Consent

Under federal law, you have a right, and we have a duty, to protect the confidentiality of information about the amount, type and destination of your Service usage (CPNI). Where permitted by law or regulation to consent in this manner, you consent to us sharing your CPNI with VarTec, its affiliates, agents and its independent contractors, to develop or bring to your attention any products and Services or to help tailor and fit our products to meet your telecommunications needs, unless you tell us that you do not want us to use your CPNI to do so. This consent survives the termination of your Service and is valid until you remove it. To remove this consent now or at any time, notify us in writing at the address designated in this Agreement or call us at (888) 959-3223 or (800) 520-4001 TTY for people with hearing and/or speech disabilities, providing your (1) name, (2) home address, (3) home telephone number including area code, (4) service billing address, and (5) service account number. Removing consent will not affect your current Service.

13. Miscellaneous

a. Privacy. We are not liable for any lack of privacy that may be experienced with regard to the Service. You authorize our monitoring and recording of calls to us concerning your account or the Service and you consent to our use of automatic dialing equipment to contact you. We have the right to intercept and disclose any transmissions over our facilities in order to protect our rights or property or pursuant to court order or subpoena.

b. Assignment. We may assign all or part of this Agreement without such assignment being considered a change to the Agreement, and without notice to you. We are then released from all liability. You may not assign this Agreement without our prior consent.

c. Entire Agreement. These Terms and Conditions, together with any other documents directly or indirectly referenced herein are made a part of these Terms and Conditions, and represent the entire agreement between you and us relating to the subject matter of this Agreement, which may only be amended as described in this Agreement. This Agreement supersedes any prior written or oral understanding between you and us, our affiliates, agents and contractors. If there is any inconsistency or conflict between the terms of this Agreement and the terms of any promotion, Service, and/or authorized written communications the Customer has received, the provisions of this Agreement will control.

d. Severability. If any term of this Agreement (including without limitation a Service Plan issued hereunder) is determined to be unenforceable, then such term will be enforced to the maximum extent permitted by law, rather than voided, and the remaining terms of this Agreement will remain in full force and effect.

e. Other VarTec Services. You may receive special promotions or discounts on other Services offered by VarTec in connection with the purchase of certain Services. These promotions or discounts may terminate upon termination of this Agreement.

f. Capacity. You represent that you are legally competent to enter into this Agreement, that you are at least 18 years old, and that you are not aware of any disability that would prevent you from entering into this Agreement.

g. Waiver of Claims. Subject to section 7(i) above, if we do not enforce a claim or right, this does not amount to a waiver of our right to enforce such a claim or right.