

Covad Service Customer Policies

Version 12052005

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TELESPEED AND TELEXTEND INTERNET SERVICE DESCRIPTION

TELESPEED INTERNET SERVICE

The TeleSpeed Internet Services are Covad's business-oriented Internet Services based on Symmetric Digital Subscriber Line ("SDSL") services provisioned on separate lines from the Customer's phone service. TeleSpeed Internet Services are designed for individuals and businesses who use the Internet for conducting their work and running their businesses. All TeleSpeed orders require a Covad Professional Installation. The availability of TeleSpeed Internet Services depends upon the distance of the Customer from the Central Office of the local telephone company and the condition of the wire from the Central Office to the Customer's premises, otherwise referred to as the Customer Circuit. The TeleSpeed family of Internet Services consists of

Service Name	Maximum Throughput Downstream	Maximum Throughput Upstream	Distance Limitations
TeleSpeed 144	144 kbps	144 kbps	39,600 feet (Verizon East – 18,000 feet)
TeleSpeed 192	192 kbps	192 kbps	15,000 feet
TeleSpeed 384	384 kbps	384 kbps	15,000 feet
TeleSpeed 768	768 kbps	768 kbps	13,000 feet
TeleSpeed 1.1	1,100 kbps	1,100 kbps	12,000 feet
TeleSpeed 1.5	1,500 kbps	1,500 kbps	7,000 feet

To determine the speed a Customer may be able to receive, Covad measures the speed the Customer could get from its equipment at its location to Covad's equipment in the local telephone company's central office. While the distance from the Customer's location to the phone company's central office is a good indication of the speed the Customer may be able to get,

there are specific technical limitations that also are considered. Based on certain parameters, it may be necessary for certain orders to be downgraded to the next available speed. If Covad can determine during the provisioning of the order that a Customer's location does not qualify for the ordered speed, the order will be automatically downgraded to the next available product.

ENTERPRISE TELESPEED INTERNET SERVICE

Enterprise TeleSpeed services have the same technical and operations specifications as the standard TeleSpeed services listed above. The primary difference between the two services is the dedicated customer support that is offered for Enterprise TeleSpeed. That dedicated support allows Covad to enhance the Service Level Agreement for Time To Repair. Additional details are available in the SLA section later in this document. In all other sections of this document where specific services are discussed, all TeleSpeed policies will apply to Enterprise TeleSpeed unless stated otherwise.

Service Name	Maximum Throughput Downstream	Maximum Throughput Upstream	Distance Limitations
Enterprise TeleSpeed 144	144 kbps	144 kbps	39,600 feet (Verizon East – 18,000 feet)
Enterprise TeleSpeed 192	192 kbps	192 kbps	15,000 feet
Enterprise TeleSpeed 384	384 kbps	384 kbps	15,000 feet
Enterprise TeleSpeed 768	768 kbps	768 kbps	13,000 feet
Enterprise TeleSpeed 1.1	1,100 kbps	1,100 kbps	12,000 feet
Enterprise TeleSpeed 1.5	1,500 kbps	1,500 kbps	7,000 feet

TELESPEED REACH INTERNET SERVICE

TeleSpeed Reach Internet Services differ from the standard TeleSpeed services listed above in that it is provisioned with a T1 loop to overcome the distance limitations inherent in SDSL services. This enables most Customers, located within the serving area of a Covad collocation facility, to receive symmetric speeds of up to 1,500 kbps. TeleSpeed Reach services are not available upon initial prequalification and are only offered to Customers at Covad's discretion after an SDSL order has been rejected. All TeleSpeed Reach orders require a Covad Professional Installation. In all other sections of this document where specific services are discussed, all TeleSpeed policies will apply to TeleSpeed Reach unless stated otherwise. The TeleSpeed Reach family of Internet Services consists of:

Service Name	Maximum Throughput Downstream	Maximum Throughput Upstream
TeleSpeed Reach 384	384 kbps	384 kbps
TeleSpeed Reach 768	768 kbps	768 kbps
TeleSpeed Reach 1.5	1,500 kbps	1,500 kbps

TELEXTEND INTERNET SERVICE

TeleXtend Internet Services are Covad's premium business Internet Services. Using standard T1 technology, TeleXtend Internet Service overcomes the distance limitations inherent in SDSL and Asymmetric Digital Subscriber Line ("ADSL") services, enabling most Customers, located within the serving area of a Covad collocation facility, to receive symmetric speeds of up to 1,500 kbps. All TeleXtend orders require a Covad Professional Installation. The TeleXtend family of Internet Services is offered at full T1 and fractional T1 bandwidth.

Service Name	Maximum Throughput Downstream	Maximum Throughput Upstream
TeleXtend 384	384 kbps	384 kbps
TeleXtend 768	768 kbps	768 kbps
TeleXtend 1.5	1,500 kbps	1,500 kbps

IP ADDRESS PROVISIONING FOR TELESPEED AND TELEXTEND INTERNET SERVICES

Covad provides either one (1) static and public IP address with Network Address Translation (“NAT”) or five (5) usable static and public IP addresses without NAT as basic IP configuration options for TeleSpeed and TeleXtend Internet Services. The default IP address setting is 1 static IP with NAT. Additional static and public IP addresses without NAT, in configurations of 13, 29, 61, 125, or 253 usable IP addresses, are available at the time of ordering or after installation for additional setup and recurring charges and for use in accordance with the standards applied by the American Registry Internet Numbers (“ARIN”) for the use of all IP space. Customers who wish to purchase 13 or more IP addresses are required to provide information to Covad, in accordance with ARIN guidelines, justifying the usage of the IP addresses before Covad will allocate the additional IP addresses. Covad will provide such Customer-provided information to ARIN upon request from ARIN.

ISP SERVICES FOR TELESPEED AND TELEXTEND INTERNET SERVICES

As part of the TeleSpeed and TeleXtend Internet Services, the Customer will receive the following ISP services:

- Fifteen (15) POP3 email accounts at Covad.net domain
- Fifteen (15) MB web hosting space at Covad.net domain
- Free dial-up services until TeleSpeed or TeleXtend Internet Service is installed
- Ten (10) free hours of local dial-up each month. Additional hours charged at \$1.50 per hour or fraction thereof.
- 24x7x365 customer support
- Access to online SMART Account Manager at www.covad.net

PROFESSIONAL INSTALLATION FOR TELESPEED AND TELEXTEND INTERNET SERVICES

TeleSpeed and TeleXtend Internet Services require Professional Installation services by a Covad Field Service Technician. Covad will schedule an installation time with the Customer to complete the installation process after Covad has confirmed that the Customer’s Local Exchange Carrier (“LEC”) has provisioned the appropriate loop to the Customer’s premises. Professional Installation includes the following on-site services, where required (a limit of 2 hours of included on-site time for each Professional Installation):

- Basic inspection of inside wiring. Maximum of 30 minutes including tracing or toning across phone closets; and
- Customer Premises Equipment (“CPE”) hardware installation of Covad-qualified equipment.

The Professional Installation fee does not include the cost of the CPE. Professional Installation service does not include installation or repair of inside wiring, installation of software on the Customer’s computer, or any work necessary on the Customer’s Local Area Network (LAN). Customer is responsible for quality and repair of inside wiring. Changes and/or cancellations to professional installation appointment times that are not provided to Covad at least 24 hours in advance will result in a missed appointment fee.

SERVICE LEVEL AGREEMENT FOR TELESPEED, TELEXTEND AND TELESOHO DEDICATED LOOP INTERNET SERVICES

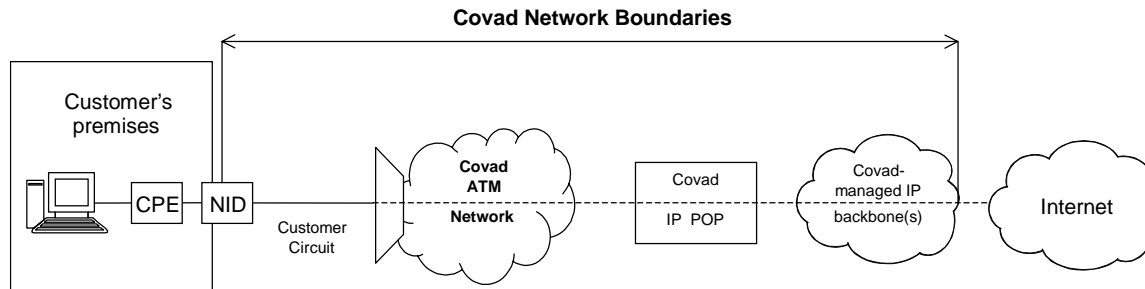
The Covad Service Level Agreement (“SLA”) is applicable only to TeleSpeed, TeleXtend and TeleSoho Dedicated Loop Internet Services, and applies only to the Covad Network and TeleSpeed, TeleXtend or TeleSoho Dedicated Loop Customer Circuits. The SLA does not apply to any other services, including but not limited to, TeleSurfer, other TeleSoho Internet Services and ISP services (including but not limited to DNS, email, and web hosting). The SLA is applicable only to Customers under contract with Covad. *NOTE: This SLA applies to TeleSoho Dedicated Loop Internet Services only in connection with the Time to Repair Service Target and its affiliated TTR Credit (as defined below). No other provision of this SLA will apply to TeleSoho Dedicated Loop Internet Services.*

All terms used in this section and not otherwise defined shall have the meaning attributed to such terms in the Customer Agreement (the “**Agreement**”) between Customer and Covad.

DEFINITIONS

Covad Network: “Covad Network” means the infrastructure, facilities, and equipment owned, operated, or controlled by Covad used to provide TeleSpeed, TeleXtend and TeleSoho Dedicated Loop Internet Services. The Covad Network excludes CPE, inside wiring at the Customer’s premises, and any network infrastructure, facilities, or other components not owned, leased, operated, or controlled by Covad. See **Figure 1**.

Figure 1: Covad Network boundaries.



Network Interface Device: “Network Interface Device” (“NID”) is defined as the LEC-installed device that connects a Customer’s inside wiring to the telephone network.

Customer Circuit: “Customer Circuit” is defined as the physical wiring between Covad’s network equipment and the Customer’s NID.

Covad IP PoP: A “Covad IP Point of Presence” is defined as a location where Covad’s network equipment connects to the public Internet and/or the LEC equipment.

IP Region: An “IP Region” is the set of Covad Service Areas that are served by a particular IP PoP. A listing of Covad IP Regions is available from Covad upon request. Covad may, at its sole discretion, change the number and configuration of IP Regions and the assignment of Service Areas to particular IP Regions. Covad may serve individual Customer Circuits from an IP PoP in a different IP Region.

Installation Interval: For completed Customer Circuits on which billing has commenced, “Installation Interval” is calculated as the number of whole calendar days between (a) the later of (i) the date Covad received the Customer Circuit order from Customer or (ii) the date that Covad has approved Customer’s credit application (if applicable) and (b) the Billing Start Date for that Customer Circuit order. This calculation excludes: (a) any period that Covad waits for a response, availability, or action from Customer, (b) any period that Covad waits to install the Customer Circuit resulting from Customer failure to respond, unavailability, lack of access to Customer’s facilities, change of requested installation date, or other action or inaction, or (c) any period resulting from a Force Majeure Event.

Service Available: “Service Available” is defined as the ability for a Customer to exchange Internet Protocol (“IP”) packets between the Customer’s NID and any IP address (of Covad’s choice) on the public Internet via the Covad Network.

Service Outage: There is a “Service Outage” on a specific Customer Circuit when IP packets cannot be exchanged between the Customer’s NID and any IP address (of Covad’s choice) on the public Internet via the Covad Network.

A Service Outage excludes any failures to which any of the following have contributed in whole or in part:

- a) Scheduled maintenance or other planned outages on the Covad Network;
- b) Problems with, or maintenance on, Customer’s applications or equipment (including, but not limited to, inside wiring, or changes to or reconfiguration of Customer’s CPE not performed by Covad); or
- c) A Force Majeure Event, as defined in the Agreement.

Time to Repair Service: “Time to Repair Service (“TTR”)” is defined as the duration of a Service Outage. Time to Repair Service is calculated commencing with the date and time (as set forth on the trouble ticket) on which Covad or Customer

initially reports the Service Outage on a trouble ticket containing all information necessary for Covad to respond to the trouble ticket and ending upon confirmation by Covad to Customer that the service is repaired. This calculation excludes any period that Covad waits for a response, availability (including restrictions to on site availability or DMARC access), or action from Customer, and further excludes any period Covad spends monitoring the affected Customer Circuit after Covad has repaired service to the affected Customer Circuit or any period Covad spends monitoring an intermittent circuit while the Customer Circuit is up and running.

Monthly Service Availability: “**Monthly Service Availability**” is defined as the percentage of minutes in a calendar month a Customer Circuit did not experience a Service Outage in that month. Specifically, Monthly Service Availability is a percentage calculated as:

$$1 - \frac{[(\text{aggregate Time to Repair Service for all Service Outages experienced by Customer Circuit in a calendar month}) / (\text{total minutes in same month})] * 100}{100}$$

Severe Problem: A Customer Circuit is experiencing a “**Severe Problem**” if the aggregate Time to Repair Service for all Service Outages for such Customer Circuit is in excess of twenty-four (24) hours in any calendar month.

Chronic Problem: A particular Customer Circuit is experiencing a “**Chronic Problem**” if a subsequent Severe Problem occurs (a) within one (1) calendar month following the calendar month in which a Customer experienced a Severe Problem, and (b) Covad did not recommend to disconnect the Customer Circuit at the time of the prior Severe Problem.

Network Delay: “**Network Delay**” is defined as the time in milliseconds (“**ms**”) required for a round-trip ping test between the Customer’s NID and a Covad IP PoP in a different IP Region, *provided* that the only traffic on the Customer Circuit during the ping test is the test traffic.

Average Network Delay: The “**Average Network Delay**” on a Customer Circuit is the hourly average of the Network Delay measurements conducted on that Customer Circuit. Average Network Delay is not measured when the Customer Circuit is experiencing a Service Outage.

Delivery: “**Delivery**” is defined as the percentage of IP packets successfully transmitted between the Customer’s NID and a Covad IP PoP in a different IP Region in a period, *provided* that the only traffic on the Customer Circuit during the test is the test traffic.

Average Delivery: The “**Average Delivery**” on a Customer Circuit is an hourly average of the Delivery measurements conducted on that Customer Circuit. Average Delivery is not measured when the Customer Circuit is experiencing a Service Outage.

Time to Restore Service: “**Time to Restore Service**” is defined as the duration that the Average Network Delay or Average Delivery on a Customer Circuit exceeds the targets for Average Network Delay or Average Delivery set forth below. Measurement of Time to Restore Service commences with the date and time (as set forth on the trouble ticket) on which Covad or Customer reports the Network Delay or Delivery issue on a trouble ticket containing all information necessary for Covad to respond to the trouble ticket and ends upon confirmation by Covad to Customer that performance within the Average Network Delay or Average Delivery targets is restored. This calculation excludes any period that Covad waits for a response, availability, or action from Customer, and further excludes any period Covad spends monitoring the affected Customer Circuit after Covad has restored performance to within the targets for Average Network Delay or Average Delivery for the affected Customer Circuit.

SERVICE LEVELS AND REMEDIES

Installation Interval: Covad’s target for Installation Interval for each Customer Circuit is:

Service	Installation Interval Target
TeleSpeed, Enterprise TeleSpeed, and TeleSpeed Reach Customer Circuits	30 calendar days
TeleXtend Customer Circuit	30 calendar days

If Covad does not meet the Installation Interval Target for a Customer Circuit per the above definition and Customer requests a credit, Covad will provide Customer with a credit (“**Installation Interval Credit**”) of fifty percent (50%) of the first whole month’s monthly recurring charge for that Customer Circuit.

Monthly Service Availability: Covad’s target for Monthly Service Availability for each TeleSpeed Customer Circuit and TeleXtend Customer Circuit is:

Service	Monthly Service Availability Target
TeleSpeed, Enterprise TeleSpeed, and TeleSpeed Reach Customer Circuits	99.9%
TeleXtend Customer Circuit	99.99%

If Covad does not meet the Monthly Service Availability Target for a Customer Circuit per the above definition and Customer requests a credit, Covad will provide Customer a credit of three percent (3%) per hour of the monthly recurring charge for such Customer Circuit for each hour (or fraction thereof, rounded to the nearest fifteen (15) minutes) of Service Outage experienced by the Customer Circuit in excess of the Service Availability Target (“**Service Availability Credit**”); *provided* that in no case will the aggregate of all Service Availability Credits and Time to Repair Credits (defined below) exceed the total monthly recurring charge billed for such Customer Circuit during such month.

Example: For the purposes of illustrating the Service Availability Credit only, if a TeleSpeed 384 Customer Circuit (i.e., monthly recurring charge of \$179.00) experiences a single Service Outage with Time to Repair Service of 14 hours, 22 minutes in January 2003, Covad will calculate the Service Availability Credit in the following manner:

- 1) Subtract Monthly Service Availability Target (in minutes) from the Time to Repair Service for the Service Outage for the month to determine the Time to Repair Service in excess of the Monthly Service Availability Target. In this case, the calculation is 14 hours, 22 minutes Time to Repair Service – 45 minutes allowable Service Outage time (1-99.9% of 44,640 minutes in January) = 13 hours, 37 minutes outage in excess of target;
- 2) Round to the nearest 15 minutes = 13 hours, 30 minutes;
- 3) Multiply by 3% per hour = 41% of monthly recurring charge;
- 4) Multiply by monthly recurring charge (\$179.00) = **\$73.39 Service Availability Credit.**

Time to Repair Service: Covad’s target for Time to Repair Service for each Service Outage experienced by a TeleSpeed, TeleXtend or TeleSoho Dedicated Loop Customer Circuit is:

Service	Time to Repair Service Target
TeleSoho Dedicated Loop Customer Circuit	36 hours
TeleSpeed and TeleSpeed Reach Customer Circuit	24 hours
Enterprise TeleSpeed Customer Circuit	12 hours
TeleXtend Customer Circuit	4 hours

If Covad does not meet the Time to Repair Service Target for a Service Outage on a TeleSpeed, TeleXtend or TeleSoho Dedicated Loop Customer Circuit per the above definition and Customer requests a credit, Covad will provide Customer a credit of ten percent (10%) of the monthly recurring charge for that Customer Circuit (“**TTR Credit**”), in addition to any other applicable credits for Service Availability, *provided* that in no case will the aggregate of all Service Availability Credits and TTR Credits for that Customer Circuit in a month exceed the total monthly recurring charge billed by Covad for such Customer Circuit for service during such month. For Enterprise TeleSpeed Customer Circuits, the TTR Credit shall be twenty percent (20%). All other terms above apply.

Severe and Chronic Problems: For any TeleSpeed or TeleXtend Customer Circuit that Covad verifies has experienced a Severe Problem, Covad may recommend to disconnect the affected Customer Circuit. If Covad recommends to disconnect the affected Customer Circuit, Covad will provide a credit to Customer for the amount of such disconnection fee (if any) assessed by Covad.

For any TeleSpeed or TeleXtend Customer Circuit that Covad verifies has experienced a Chronic Problem, Customer may give Covad approval to disconnect such Customer Circuit, and Covad will provide a credit to Customer for the amount of any disconnection fee (if any) assessed by Covad.

Average Network Delay: Covad’s Average Network Delay target for all TeleSpeed and TeleXtend Customer Circuits is:

Service	Average Network Delay Target
TeleSpeed, Enterprise TeleSpeed, and TeleSpeed Reach Customer Circuit	110 milliseconds (“ms”)
TeleXtend Customer Circuit	110 ms

If Covad does not meet the Average Network Delay Target for a Customer Circuit in a month per the above definition and Customer requests a credit, Covad will credit the Customer (“**Network Delay Credit**”) according to the following table:

If Average Network Delay Time to Restore Service exceeds:	Network Delay Credit is:
One (1) hour in a calendar month	Five percent (5%) of the monthly recurring charge for that Customer Circuit
Two (2) hours in a calendar month	Ten percent (10%) of the monthly recurring charge for that Customer Circuit

Average Delivery: Covad’s targets for Average Delivery for all TeleSpeed and TeleXtend Customer Circuits are:

Network	Average Delivery Target
TeleSpeed, Enterprise TeleSpeed, and TeleSpeed Reach Customer Circuit	99.9%
TeleXtend Customer Circuit	99.9%

If Covad does not meet the Average Delivery Target for a Customer Circuit per the above definition and Customer requests a credit, Covad will credit the Customer (“**Delivery Credit**”) according to the following table:

If Average Delivery Time to Restore Service exceeds:	Delivery Credit is:
One (1) hour in a calendar month	Five (5%) of the monthly recurring charge for that Customer Circuit
Two (2) or more hours in a calendar month	Ten (10%) of the monthly recurring charge for that Customer Circuit

CLAIMS AND CREDIT AVAILABILITY

It is the Customer’s responsibility to identify, request and document all bona fide SLA claims and corresponding credits. The easiest way for Customers to notify Covad of an SLA claim is to submit the email form located in the Customer Support section of SMART Account Manager. To be eligible for service credits, Customer must first report service availability, delay, or delivery events to Covad Customer Care. Covad will notify Customer of its resolution of the reported event. Customer must claim any applicable service credits by the 15th day of the month following the month in which (a) the reported incident was resolved (in the case of credits for Service Availability, Time to Repair Service, Network Delay, or Delivery credits) or (b) the Billing Start Date of the affected Customer Circuit (in the case of Installation Interval credits). Covad will verify the Customer’s claim within thirty (30) days of a complete and properly submitted credit request, and will apply any applicable credits, as determined at Covad’s sole discretion, to the Customer’s invoice issued on the next billing anniversary date following Covad’s thirty (30) day review. **NOTE: Total credits in a given month on a Customer Circuit may not exceed the monthly recurring fees charged by Covad for such Customer Circuit during such month. Any excess credits will not carry over into later invoices.**

For the purposes of illustrating the timelines for Credit Availability only, if Covad resolves an incident in January 2003 – regardless of when Covad opened the trouble ticket for the incident – and Customer wishes to receive a credit for the incident, Customer must claim the applicable credits by February 15, 2003. If the claim is complete and is properly submitted, Covad will verify the claim by March 15, 2003, and will apply any applicable credit to Customer’s next invoice. *Customer may not, under any circumstances, submit credit requests after the date to submit service credit requests set forth above has passed; Covad will not accept late credit requests.*

Requests for SLA credits must be submitted to Covad Customer Care in writing or by email to support@covad.net. A separate credit request must be submitted for each Customer Circuit for which a claim is made. In addition, a separate credit request must be submitted for each type of credit (e.g., Service Availability Credit, Installation Interval Credit, etc.) requested if multiple types of claims are made on a single Customer Circuit; *provided, however*, that requests for Service Availability Credits and Time to Repair Credits for a single Customer Circuit may be made via the same credit request.

Covad will reject any credit requests that do not provide sufficient supporting information to allow Covad to verify the claim. Such information must include:

- The contact name for the Internet Service on which the incident occurred;
- The Covad circuit number for the Customer Circuit on which the incident occurred;
- The specific type of credit being requested;
- The date(s) of the resolution of the trouble ticket(s) (for credits for Service Availability, Time to Repair Service, Network Delay, or Delivery) or the Billing Start date (for credits for Installation Interval) for the incident; and
- Any other information that Covad may reasonably request to assist Covad in verifying Customer’s credit request.

Covad does not guarantee that provision of the above information will be sufficient to allow Covad to verify the request. Covad will inform Customer of credit requests rejected for insufficient information, and Customer will be allowed to resubmit such requests with additional supporting information within five (5) business days of Covad’s notification of its rejection of the credit request. After Customer resubmits the credit request with the additional supporting information, the standard verification and crediting timelines (outlined above) will apply. Covad will notify of results within 5 business days of receipt of such requested additional information.

Covad reserves the right to modify the format for submission of, and information required for, SLA credit requests.

Covad may, at its reasonable discretion and without notice, limit or eliminate Customer’s eligibility and ability to submit SLA credit requests if (a) Customer has an undisputed past-due amount owed to Covad or (b) in Covad’s sole determination, Covad determines that Customer has:

- Failed on one or more occasions to comply with the credit request policies and requirements described herein;
- Submitted an excessive number of rejected SLA credit requests; or
- Used, or attempted to use, the SLA credit process in a frivolous, abusive, or fraudulent manner.

Covad will restore Customer’s ability to submit SLA credit requests once Customer (i) has paid all amounts owed Covad (in case of failure to pay outstanding invoices), or (ii) in all other cases, provides to Covad assurances sufficient for Covad to determine Customer has cured the conduct that initiated Customer’s ineligibility to participate in the SLA.

TELESPEED EXTENDED COVERAGE AREAS SERVICES

Covad offers Customers service in Covad’s extended coverage areas, which are beyond the areas covered by Covad’s network (the “ECA Services”). However, the ECA Services differ from Covad’s standard Services in various ways that are described below. If Customer purchases ECA Services, the following will apply:

Service Branding. The names of the SDSL ECA Services will be tied to the corresponding Covad Service Name set forth below. For all other purposes except as set forth herein, the ECA Service will be treated as the corresponding Covad Service. T1 and ADSL Services are not available as ECA Services.

Covad Service Name	ECA Service Name
TeleSpeed 144	TeleSpeed 144 ECA

TeleSpeed 192	TeleSpeed 192 ECA
TeleSpeed 384	TeleSpeed 384 ECA
TeleSpeed 768	TeleSpeed 768 ECA
TeleSpeed 1.1	TeleSpeed 1.1 ECA
TeleSpeed 1.5	TeleSpeed 1.5 ECA

Professional Installation and Field Service. All ECA Services will be provisioned and all field service dispatches will be serviced by a Field Service Technician from one of Covad’s partners rather than a Covad Field Service Technician. As a result, Covad waives all liability for installation or field service related issues, including but not limited to, personal injury, death or tangible or intangible property damage.

SLAs. All SLAs remain as set forth for standard Covad Services, with the exception that there will be no SLAs for Time to Repair Service (TTR), for Monthly Service Availability, or for Average Network Delay.

CPE. Customer-provided and Customer-managed CPE may not be used with ECA Services without prior written consent of Covad. The CPE available will be limited to: SDSL CPE: Efficient 5851 and IDSL CPE: Efficient 5871. Covad will provide a one-year limited warranty on this CPE as follows: If, during the warranty period, Covad deems the equipment to be faulty and believes that a replacement is needed, a replacement CPE will be shipped to the Customer within three (3) business days. If a technician visit is also required, Covad’s standard fees for a technician dispatch will apply.

Move Orders and Changes. Disconnection and a new order will be required for moves and CPE may not be transferred to a new location. Moves within a Customer location also require a new installation and Customer will be billed for such new installation. Upgrade and downgrades during an order will not be permitted; however, Customers can upgrade or downgrade after the order has been installed by calling Covad (standard upgrade and downgrade terms and conditions apply).

SMART Account Manager. Certain SMART account manager functionality will not be available to manage the ECA Service accounts online and certain information may not be available for viewing in real-time.

Loop Conditioning. In the event that loop conditioning is required on a Customer Circuit, Covad may charge a fee of \$199.00 per Customer Circuit

Please note that Enterprise TeleSpeed and TeleSpeed Reach Services are not available for Covad’s TeleSpeed ECA Services.

VOICE OVER INTERNET PROTOCOL (VOIP) SERVICE DESCRIPTION

VoIP SERVICE

Covad’s Voice over Internet Protocol (“**VoIP**”) Service provides voice services over Customer’s broadband connection. VoIP Services are designed for individuals and businesses who wish to receive a line that can be accessed for both broadband Internet and digitized telephone service, and use both conducting their work and running their businesses. Covad provisions a broadband connection in one of two ways:

- Over a broadband line on Covad’s network (known as a Voice Optimized Access, or “**VOA Service**”, line); or
- Over a broadband line provided by Covad through its broadband partners (known as an Extended On-Net, or “**EON Service**”, line)

Covad offers two types of VoIP Services: (1) Covad vPBX Service, which is a fully-hosted VoIP Service; or (2) Covad PBXi Service (including PBXi Plus), which works with a Customer’s existing PBX system. Pricing for each Service is set forth in the Quote Generator.

For VoIP Services provided over an SDSL line, the availability of the VoIP Services, the Internet service speed delivered, and the number of telephone lines delivered depends upon the distance of the Customer from the Central Office of the local telephone company and the condition of the wire from the Central Office to the Customer's premises, referred to herein as the Customer Circuit. The VoIP Services consist of various speeds and types of broadband connections, listed in the table below:

Service Name	Maximum Throughput Downstream	Maximum Throughput Upstream
Covad EON	1,500 kbps	1,500 kbps
Covad VOA T1	1,500 kbps	1,500 kbps
Covad VOA SDSL 1.5	1,500 kbps	1,500 kbps
Covad VOA SDSL 1.1	1,100 kbps	1,100 kbps
Covad VOA SDSL 768	768 kbps	768 kbps
Covad VOA SDSL 384	384 kbps	384 kbps

The VoIP Services differ from Covad's Internet Access Services in various ways that are described below. If Customer purchases VoIP Services, the following will apply:

SERVICE BRANDING AND CORRESPONDING COVAD BROADBAND SERVICES

The Covad VOA T1 and Covad EON Services will be tied to the corresponding speed of Covad TeleXtend Services. The Covad VOA SDSL Services will be tied to the corresponding speed of the Covad Enterprise TeleSpeed Services. For all other purposes except as set forth herein, the VoIP Service will be treated as the corresponding Covad Broadband Service.

Service Name	Corresponding Broadband Service
Covad EON	TeleXtend 1.5
Covad VOA T1	TeleXtend 1.5
Covad VOA SDSL 384	Enterprise TeleSpeed 384
Covad VOA SDSL 768	Enterprise TeleSpeed 768
Covad VOA SDSL 1.1	Enterprise TeleSpeed 1.1
Covad VOA SDSL 1.5	Enterprise TeleSpeed 1.5

The Covad 30-day Satisfaction Guarantee is applicable to Covad VoIP Services as described in Customer's agreement with Covad regarding VoIP Services only. The Broadband Service Satisfaction Guarantee does not apply. In addition, Installation Interval Service Levels do not apply to VoIP Services.

CODECS

Covad VoIP supports G.711 and G.729a codecs. G.711 is standard for vPBX and G.729a is available upon request. G.729a is standard for PBXi and G.711 is available upon request. The following chart describes the maximum number of simultaneous calls available. Note that fax is not supported over G.729a and will use G.711.

Service	Maximum simultaneous calls: G.711 (voice or fax)	Maximum simultaneous calls G.729a **
Covad EON	17	35
Covad VOA T1 1.5	16	18
Covad VOA SDSL 384	3	7
Covad VOA SDSL 768	7	17
Covad VOA SDSL 1.1	10	26
Covad VOA SDSL 1.5	14	35

** Certain applications (such as voicemail or fax) will be over G.711, which will limit the number of simultaneous calls available on G.729a.

PROFESSIONAL INSTALLATION AND COMPLETING THE ORDER

Only Covad technicians, a Covad-authorized vendor or an Authorized Dealer or Fulfillment Partner may complete delivery of VoIP Services. Covad will not authorize the Customer or a Customer-designated vendor to install and/or complete delivery of Covad VoIP Services.

If Covad cannot deliver the ordered Service due to technical issues, and the Customer does not want a downgraded service speed and/or fewer telephone lines delivered, Covad will allow the Customer to cancel the order. The Customer will not be liable for any service setup and equipment fees, other than fees for Missed Appointments (if applicable).

SERVICE LEVEL AGREEMENTS

All SLAs for the VOA or the EON Service remain as set forth for standard Covad Services, with the exception that there will be no SLAs for Installation Interval. Covad's Service Level Agreement for VoIP Services is described in the VoIP Services Appendix. Note that if Customer claims a credit pursuant to the VoIP Services Appendix, Customer is not eligible for any other SLA credits.

Any credits on Service Level Agreement claims will be paid based on the full amount of the basic monthly fees for the Services. Usage-based fees will not be included when determining credits issued as part of the Service Level Agreement.

CPE

Covad's CPE warranties apply only to CPE purchased directly from Covad. CPE and telephony equipment purchased from Authorized Dealers or Fulfillment Partners is not warranted by Covad. Please see your Authorized Dealer or Fulfillment Partner for any issues with CPE purchased through them. Covad's lifetime CPE warranty for Enterprise TeleSpeed Services does not apply to Covad's SDSL VOA Services.

Covad is not responsible for the configuration of, or internal equipment for, Customer's telephony equipment that may be necessary to make such telephony equipment compatible with the VoIP Services. Customer is solely responsible for determining and ensuring that Customer's telephony equipment is compatible with the CPE and services provided by Covad. If Customer receives a rebate or other credit back for the purchase of CPE, Customer will still be responsible for any applicable taxes related to that CPE.

MOVE ORDERS AND CHANGES

Disconnection and a new order will be required for moves and CPE may not always be transferred to a new location. Customer will also be responsible for any applicable disconnection charges. Moves within a Customer location also require a new installation and Customer will be billed for such new installation, as well as for any applicable disconnection charges. Upgrade and downgrades during an order will not be permitted; however, Customers can upgrade or downgrade after the order has been installed by calling Covad (standard upgrade and downgrade terms and conditions apply). If Customer is disconnecting a Covad VOA Service during the initial term due to a Customer move and Customer re-orders Covad VoIP Service at Customer's new location, Customer may be eligible for the Retention Bonus described below. Once the Customer establishes Covad VoIP Service at the new location and retains the VoIP Service for at least 30 days, Covad will apply a Retention Bonus equal to the early termination fee for the original underlying broadband service in the form of a credit on the Customer's invoice or credit card billing statement within 2 billing cycles.

If Customer's requested VoIP Service is not available at the new location or Covad does not provide any service to the Customer's new location, the disconnection will not be considered a move under this section. In such case, the standard early termination fee will apply if applicable, and no Retention Bonus will be paid by Covad. All Move Orders require the Customer to accept a new contract and new term agreement for the new service. Covad does not apply the Customer's previous contract or term agreement to the new service. Additionally, Customers will be subject to current Covad pricing for their new service. Covad does not guarantee that the Customer will be able to get the same pricing or service in their new location.

SERVICE DISCONNECTION

vPBX: There is no disconnection fee for disconnection of the vPBX VoIP Service itself. However, Covad will charge a termination fee for termination of the underlying broadband service. Covad will not refund service setup, CPE and other equipment, or recurring monthly charges incurred on any disconnected VoIP Services. If a Covad VOA Service is

disconnected within one (1) year of the date billing to Customer began, the current early termination charge is \$500.00. Early termination fees for Covad EON Services vary by provider, but typically consist of the monthly recurring charges for the remaining balance of the one (1) year term.

PBXi: Covad will charge a termination fee for termination of the underlying EON broadband service. The termination fee varies by EON provider, but typically consists of the monthly recurring charges for the remaining balance of the one (1) year term. Covad will not refund service setup, CPE and other equipment, or recurring monthly charges incurred on any disconnected VoIP Services. In addition to the underlying EON broadband charges, early termination charges for Covad PBXi Services will be \$100.00 per month for the remainder of the two (2) year term. For example, if a Customer terminates Covad PBXi Service during the 16th month of the two (2) year term, Customer will pay a termination fee of \$800.00 [(24 months – 16 months) = 8 months * \$100/month].

General: Customer is not permitted to disconnect his or its broadband service only as VoIP Service will no longer function without the underlying broadband service. If Customer is receiving VOA Service, Customer may disconnect his or its VoIP Service and maintain the underlying broadband service by placing a change order with Covad. However, if Customer is receiving an EON Service, Customer cannot maintain a broadband-only service with Covad and must cancel both the voice and the underlying broadband service.

BILLING

Billing options, fees, and policies are described in the Agreement. Customers will be charged for the number of VoIP stations actually installed (and not the number of stations in the booking package). The pricing tier applied to the stations being billed will be based on the number of stations installed (and not the number of stations in the booking package).

INTERNATIONAL RATES

Covad's pricing rates for international calls are set forth on the International Rate Sheet located at <http://www.covad.net/legal>. The pricing set forth on the International Rate Sheet may be updated from time to time by Covad upon thirty (30) days notice due to Covad's supplier price changes. Covad will post the updated International Rate Sheet on <http://www.covad.net/legal>.

ISP AND HOSTING SERVICES

All VoIP Service Customers will receive the following ISP services:

- Fifteen (15) POP3 email accounts at Covad.net domain
- Fifteen (15) MB web hosting space at Covad.net domain
- Free dial-up broadband services until the VOA or EON Service is installed
- Ten (10) free hours of local dial-up broadband service each month. Additional hours charged at \$1.50 per hour or fraction thereof.
- 24x7x365 customer support
- Access to online SMART Account Manager at www.covad.net

Please see your Quote Generator to determine whether you are receiving any additional hosting services from Covad, such as Covad's Premium Hosting Services. Additional details on Covad's Hosting Services are provided in these Customer Policies under the section "Hosting Services Description."

TELEDEFEND SECURITY SERVICES

Covad's TeleDefend firewall and VPN Services are not available with VoIP Services.

TELESURFER AND TELESOHO INTERNET SERVICE DESCRIPTION

TeleSurfer and TeleSoho services are Internet Services based on Asymmetric Digital Subscriber Line ("ADSL") services provisioned (other than TeleSoho Dedicated Loop services) on a shared-line basis (meaning that the Customer will receive ADSL services over the same line on which he or she currently receives his or her voice service). The TeleSoho Dedicated Loop Internet Service is based on ADSL services, but is provisioned over a dedicated line and does not share the line with Customer's voice service. The availability and performance of TeleSurfer and TeleSoho Internet Services depends the distance

of the Customer from the Central Office of the local telephone company and the condition of the wire from the Central Office to the Customer's premises. To subscribe to Covad ADSL services (other than TeleSoho Dedicated Loop services), Customers must have local telephone service through one of the following companies: SBC, Verizon, Qwest, or BellSouth. If Customer has local phone service with one of the listed companies at the time of the Covad order, and subsequently changes their line-shared voice service while subscribing to Covad ADSL service, Customer will lose their Covad service and will be charged any applicable early termination/disconnection fees if the termination occurs during the Minimum Term. This is the nature of line-sharing services, and cannot be altered for individual customers.

TeleSoho Dedicated Loop Services Services are based on a technology that is separate from Covad's standard line-shared and line-split TeleSurfer and TeleSoho services. This means that a line-shared or line-split service cannot be upgraded or downgraded to a Dedicated Loop Service and a Dedicated Loop Service cannot be upgraded or downgraded to a line-shared or line-split service. Any such requested upgrade or downgrade will require a disconnection of the original End User Circuit and a new order for a new End User Circuit.

Service Name	Installation Service	Maximum Throughput Downstream	Maximum Throughput Upstream	Distance Limitations
TeleSurfer Link*	Self Installation or Professional Installation	Up to 384 kbps	Up to 128 kbps	18,000 feet
TeleSurfer*	Self Installation or Professional Installation	Up to 608 kbps	Up to 128 kbps	18,000 feet
TeleSurfer Plus	Self Installation or Professional Installation	Up to 1,500 kbps	Up to 128 kbps	18,000 feet
TeleSoho 1.5/384	Self Installation or Professional Installation	Up to 1,500 kbps	Up to 384 kbps	18,000 feet
TeleSoho 3.0/384*	Self Installation or Professional Installation	Up to 3,000 kbps	Up to 384 kbps	10,000 feet
TeleSoho 3.0/768	Self Installation or Professional Installation	Up to 3,000 kbps	Up to 768 kbps	10,000 feet
TeleSoho 1.5/384 Dedicated Loop	Professional Installation	Up to 1,500 kbps	Up to 384 kbps	16,000 feet
TeleSoho 3.0/768 Dedicated Loop	Professional Installation	Up to 3,000 kbps	Up to 768 kbps	13,000 feet

* These services have been discontinued for new orders.

TeleSurfer and TeleSoho Internet Services are “commercially reasonable efforts” services. This means that Covad does not guarantee any upstream or downstream speeds. Service speeds are dependent on the distance of the Customer from the Central Office and the condition of the Customer Circuit, among other factors. TeleSurfer and TeleSoho Internet Services that pass at least 128 kbps of bandwidth downstream and 64 kbps of bandwidth upstream is considered to meet the service's performance standard (“**Performance Standard**”). The exceptions are TeleSoho 3.0/384 and TeleSoho 3.0/768 which have a performance standard of 1500 kbps downstream and 128 kbps upstream. Customers that order TeleSoho 3.0/768 service or TeleSoho 3.0/384 service and cannot realize the Performance Standard can disconnect their Service (within 30 days of the billing start date) or downgrade to TeleSoho 1.5/384. TeleSurfer and TeleSoho Internet Services are *rate adaptive* ADSL services. This means that Customers may experience downstream speeds between 1,500 kbps and 3,000 kbps for TeleSoho 3.0/768 and TeleSoho 3.0/384, between 128 kbps and 1,500 kbps for TeleSurfer Plus and TeleSoho 1.5/384, between 128 kbps and 608 kbps for TeleSurfer, and between 128 kbps and 384 kbps for TeleSurfer Link. For the purposes of determining this speed, Covad measures the speed the Customer can get from its equipment at its location to Covad's equipment in the local telephone company's central office.

IP ADDRESS PROVISIONING FOR TELESURFER AND TELESOHO INTERNET SERVICES

TeleSurfer Internet Services will be provisioned with one (1) dynamic IP address via PPPoE (Point to Point Protocol over Ethernet). Covad will provide the PPPoE software to the Customer in the Covad Self Installation Kit. Static IP addresses are not available with any TeleSurfer services.

TeleSoho Internet Services will be provisioned with one (1) fixed and public IP address with Network Address Translation. When NAT is chosen as the IP configuration, the static IP address is terminated on the Customer Premises Equipment and cannot be assigned to individual computers or devices. TeleSoho Customers may also choose five (5) static and public IP addresses without NAT for an additional fee.

ISP SERVICES FOR TELESURFER AND TELESOHO INTERNET SERVICES

As part of TeleSurfer and TeleSoho Internet Services (excluding TeleSurfer Link), the Customer will receive the following ISP services:

- Fifteen (15) email accounts at Covad.net domain
- Ten (10) MB web space at Covad.net domain
- Free dial-up services until TeleSurfer or TeleSoho Internet Service is installed
- Ten (10) free hours of local dial-up each month. Additional hours charged at \$1.50 per hour or fraction thereof.
- 24x7x365 customer support
- Access to online SMART Account Manager

ISP SERVICES FOR TELESURFER LINK INTERNET SERVICE

As part of the TeleSurfer Link Internet Service, the Customer will receive the following ISP services:

- One (1) email account at Covad.net domain
- Free dial-up service until TeleSurfer Link Internet Service is installed
- Dial service charged at \$1.50 per hour or fraction thereof
- 24x7x365 customer support
- Access to online SMART Account Manager

SELF INSTALLATION FOR TELESURFER AND TELESOHO INTERNET SERVICES

For all Self Installation Services, the Customer is responsible for performing all installation activities at the Customer's premises. Covad will ship the DSL equipment in a Self Installation Kit directly to the Customer after verification that Customer's LEC will provide the DSL capable loop. Covad offers technical telephone assistance to assist the Customer with any installation issues. If the Customer is unable to complete the installation, the Customer can request a Professional Installation by calling Covad Customer Care at 1-888-64-COVAD. Please note that Covad charges a fee for Professional Installation services. Covad will close the order and begin billing after the Customer's LEC confirms that the DSL capable loop has been delivered, or when Covad detects traffic on the Customer Circuit, whichever occurs first. The Self Installation Kit for TeleSurfer and TeleSoho Internet Services includes the following components:

- Ethernet Bridge (TeleSurfer Internet Services) or ADSL router (TeleSoho Internet Services)
- Ethernet cable
- Phone cord/cable
- Five (5) analog DSL filters – 4 in-line filters and one wall mount filter
- User Guide and Troubleshooting CD
- Tango DSL Connection Software (TeleSurfer Internet Services)

NOTE: Self Installation is not available for TeleSoho Dedicated Loop Internet Services. TeleSoho Dedicated Loop Internet Services require Covad Professional Installation.

PROFESSIONAL INSTALLATION FOR TELESURFER AND TELESOHO INTERNET SERVICES

If the Customer has selected a Professional Installation at the time of order entry or if Customer has ordered TeleSoho Dedicated Loop Services, Covad will schedule an installation time with the Customer to install the DSL Installation Kit. Prior to the Professional Installation, Covad will ship the DSL equipment, including the bridge or router, to the Customer, unless Customer has ordered TeleSoho Dedicated Loop services, in which case the DSL equipment will be brought to the Customer by Covad at the time of the Professional Installation. If Customer previously had Covad TeleSoho Internet Services and is migrating to TeleSoho Dedicated Loop Internet Service, Customer may be able to re-use the DSL equipment from the previous service. Covad will determine whether this is possible at the time of the Professional Installation. If it is not possible (due to non-functionality or other reasons determined by Covad in its sole discretion), Covad will leave new equipment with Customer and Customer will be billed for the new CPE.

Unless Customer has ordered TeleSoho Dedicated Loop services, Customer can complete the installation of the DSL equipment, and request that the Professional Installation be cancelled by calling Covad Customer Care at least one (1) business day prior to the scheduled installation date to avoid a cancellation charge. In addition, if Customer is unable to install the Self Installation Kit, Customer may request a Professional Installation by calling Covad Customer Care at 1-888-64-COVAD. Please note that Covad charges a fee for Professional Installation services.

Professional Installation includes the following on-site services, where required (limit of 2 hours of on-site time for each Professional Installation):

- NID Splitter or in-line filter installation including cost of filters or splitter (not included in the case of TeleSoho Dedicated Loop Professional Installation);
- Basic inspection of inside wiring. Maximum of 30 minutes including tracing or toning across phone closets;
- Hardware installation of Covad-provided DSL equipment;

Professional Installation fee does not include CPE fees. Professional Installation service does not include installation or repair of inside wiring, installation of software on the Customer's computer, or any work necessary on the Customer's Local Area Network (LAN). Customers are responsible for quality and repair of inside wiring, any software installation, and work necessary to connect their LAN to the Covad DSL service. Tango DSL Connection Software is compatible with the following operating systems: Windows 98/98SE, Windows NT 4.0 or higher, Windows ME, Windows 2000, Windows XP Home, Windows XP Pro, Mac OS 8.6, Mac OS 9.1 or higher, and Mac OS 10.1 or higher. TeleSurfer customers with an operating system other than one of these must provide their own PPPoE connection software. Covad Customer Care will not support any PPPoE connection software other than that provided in the Covad installation kit.

Changes and/or cancellations to professional installation appointment times that are not provided to Covad at least 24 hours in advance will result in a missed appointment fee.

DIAL INTERNET SERVICE DESCRIPTION

As part of the Dial Internet Service, the Customer will receive the following:

- 150 hours of dial service each month; additional hours charged at \$1.50 per hour or fraction thereof.
- Five (5) email accounts at Covad.net domain
- Ten (10) MB web space at Covad.net domain
- 24x7x365 customer support
- Access to online SMART Account Manager tool

INTERNET SERVICES POLICIES

Only Covad technicians may complete delivery of a Customer Circuit (except in the case of Self Installation Services). Covad will not authorize the Customer or a Customer-designated vendor to complete Customer Circuit delivery. This applies to all TeleSpeed and TeleXtend Internet Services and TeleSurfer or TeleSoho Professional Installation Services, but does not apply to Self Installation Services until such time that any of the Services rendered under Professional Installation are needed or specifically requested by Customer (e.g., NID splitter installation is required).

If Covad cannot deliver the ordered service due to technical issues, and the Customer does not want a downgraded service speed, Covad will allow the Customer to cancel the order. The Customer will not be liable for any service setup and equipment fees, other than fees for Missed Appointments (if applicable). For TeleSpeed orders, a service installation will be considered successful if a signal is successfully passed from Covad's IP PoP to the NID at the Customer's premises at the minimum requested bitrate in each direction.

Due to the rate adaptive nature of ADSL orders, the technician will not change a TeleSurfer or TeleSoho Internet Service order while completing the installation. The TeleSurfer or TeleSoho order is closed and billed at the rate of the service ordered. If

not satisfied, the Customer has thirty (30) calendar days from completion of the TeleSurfer or TeleSoho order to submit a change order at no charge by calling Covad Customer Care at 1-888-64-COVAD to downgrade or cancel the order. On downgrades, Covad does not refund the difference in service pricing on previous service charges.

STANDARD INSIDE WIRING POLICIES FOR TELESPEED AND TELEXTEND INTERNET SERVICES

Standard Inside Wiring Services, as outlined below, for TeleSpeed and TeleXtend Internet Services are not billable. The technician will perform the following services as necessary (provided that such services can be completed within the two hour installation window):

- Positive identification of a new Covad circuit delivered to the Customer's NID;
- Toning, tracing and completing all necessary cross connects on existing inside wiring between the Covad circuit at the NID and the Customer's designated jack location;
- Wiring of the existing jack to support the DSL or T1 router, *provided that* existing wiring is available;
- Router configuration and line test; and
- Any inside wiring that the technician can complete within 15 minutes.

For any TeleSpeed and TeleXtend inside wiring beyond the Standard (non-billable) Inside Wiring Services listed above, Covad charges standard rates for billable inside wire services. Please see the Other Fees for Covad Services section of this document. Before performing any inside wiring beyond Standard Inside Wiring Services for TeleSpeed and TeleXtend Internet Service, the technician will obtain the Customer's verbal agreement and document the authorization in the order worklog.

ADDITIONAL INSIDE WIRING POLICIES

Depending on the extent of inside wiring required, Covad may not be able to complete the inside wiring. The Customer is responsible for completing the wiring or contracting a third-party for such services. Covad does not provide extensive inside wiring services as part of our order delivery process. If the technician determines that extensive inside wiring is required, the technician will confirm successful service activation at the NID. The technician will leave the configured CPE with the Customer, and Covad will close the order. If Covad agrees to do the inside wiring, Covad will schedule such extensive inside wiring as close as possible to the installation services date, and Covad will charge the Customer additional fees for such inside wiring work. Please see the Other Fees for Covad Services section of this document for further details. Covad reserves the right to refuse to do any extensive inside wiring work requested. If the order is cancelled due to extensive inside wiring, Covad will assess standard cancellation and disconnect charges as specified in the Other Fees for Covad Services section.

Extensive inside wiring includes, but is not limited to:

- Tracing and testing existing wire through multiple units, multiple stories, or multiple telephone closets in a high-rise building or business park;
- Other complex wiring situations where physical laying of cable or wiring is required;
- New wiring due to service location greater than 50 feet from the NID;
- Wiring from the NID to a desired location; or
- Moving an existing jack to another location.

CONFIGURATION OF SERVERS

Covad also utilizes certain Internet tools and software to verify the configuration of servers connected to Covad's network. Customers may not operate servers in an "open relay" configuration (a configuration whereby a mail server processes email messages where neither the sender nor the recipient is a local user), as servers configured in this manner expose both Covad's network and that particular Customer to fraudulent and abusive use by third parties. If a Customer requires assistance in determining the configuration of a server and/or instructions to secure a server, please contact abuse-team@covad.com. Please refer to Covad's Acceptable Use Policy, posted at <http://covad.net/legal/>.

CUSTOMER PREMISES EQUIPMENT LIMITED WARRANTY

If Customer purchases Customer Premises Equipment directly from Covad, the equipment carries a one-year limited warranty, beginning on the Billing Start Date for the Covad Internet service. If, during the warranty period, Covad deems the equipment to be faulty and believes that a replacement is needed, Covad will:

1. For TeleSpeed, TeleXtend and TeleSoho Dedicated Loop Internet Services, Covad will schedule a technician to go to the Customer's location. Customer will not be billed for a technician visit unless the technician determines the equipment failure was due to the Customer's negligence, abuse of the equipment, or unsupported modifications to the firmware or hardware, in which case Covad's standard fees for a technician dispatch will apply (in addition to Covad's then-standard fees for the replacement CPE).

Covad reserves the right to ship the replacement equipment to the Customer and provide freight prepaid packaging for return of the faulty equipment. Instructions on the returns process are available by calling the Covad Customer Care. Covad requires that the Customer return the faulty equipment. In the event the Customer does not return the faulty equipment, Covad will charge Customer the current standard price for a replacement CPE.

2. For TeleSurfer and other TeleSoho Internet Services, Covad will ship replacement equipment to the Customer and provide freight prepaid packaging for return of the faulty equipment. Instructions on the returns process are available by calling the Covad Customer Care. Covad requires that the Customer return the faulty equipment. In the event the Customer does not return the faulty equipment, Covad will charge Customer the current standard price for a replacement Self Installation Kit.

After expiration of the one-year limited warranty period, Covad will replace such out-of-warranty CPE; provided, however, that Customer will be responsible for the standard charge for the CPE and the technician visit (if applicable). In any instance where Customer pays for new CPE, the warranty period will be reset and will begin on the date the equipment is delivered to the Customer. The warranty period is not reset for warranty replacement equipment that Covad provides free of charge. Covad will only honor the original one-year warranty period that began with the purchase of the original equipment. Customers that migrate to Covad Broadband Solutions from another Covad wholesale partner are not eligible for a new warranty period. Warranty periods are only reset when the Customer pays for a new CPE.

Enterprise TeleSpeed Services carry an additional limited warranty for the life of the Customer Circuit. After expiration of the one-year limited warranty period described above, Covad will continue to replace any defective CPE for Enterprise TeleSpeed Services if Covad deems the equipment to be faulty and believes that a replacement is needed. Covad will not charge Customer for the replacement CPE (unless Covad determines the equipment failure was due to Customer's negligence, abuse of the equipment, or unsupported modifications to the firmware or hardware); however, if the CPE is not shipped to the Customer, Customer will be charged Covad's then-standard fees for a technician dispatch. If Covad determines that there is not a problem with the CPE but the Customer requests new CPE, Customer will also be charged Covad's then-standard fees for the replacement CPE.

HOSTING SERVICES DESCRIPTION

Covad Hosting Services includes Email and Web Hosting Services. These services allow Customers to outsource the storage, hardware and software requirements for their email system and Web site. In exchange for providing this online service, Covad charges a monthly fee, a set up fee for certain plans, and any other applicable fees set forth below. Covad Hosting Services are designed for individuals and businesses who want to establish an identifiable presence on the Internet. Using these services, Customers can:

- Register a new or transfer an existing domain;
- Include their domain in their email address(es);
- Use Covad-provided or non-Covad provided software to build and manage a web site; and
- Have Covad host their Web site, enabling end-users to access the Customer's site.

Covad Hosting Services are available to all broadband access Customers and are not restricted by physical location.

COVAD EMAIL AND WEB HOSTING PLANS

	Email Only	Basic	Enhanced	Premium
Number of Email boxes	10	20	30	50
Web Site Storage (MB)	NA	50	100	250
Web Site Transfer (MB)	NA	2,500	5,000	10,000

Covad Web Builder	NA	Yes	Yes	Yes
Web Reporting	NA	Yes	Yes	Yes
Webmail	Yes	Yes	Yes	Yes
Email Storage (MBs/ mailbox)	40	40	40	40
Web site storage (MBs)	N/A	50	100	250
Web site transfer speed (MBs/mo)	N/A	2,500	5,000	10,000

*The Email Only plan entitles the Customer to register a domain and use email associated with their domain but does not include any web design and webhosting features.

**Additional email boxes, web site storage, and website transfer are available for the additional fees described below.

Covad Hosting Services are shared, meaning that a Customer's web site co-exists with other Customers' sites on the same server. The benefits to Customers of shared services are that they are more efficient and less expensive.

CONTRACTS

All Customers must accept the Covad Hosting Services Agreement. The contract term is month-to-month and may be canceled by either party as described below. There is no cancellation fee associated with Covad Hosting Services, except that Covad will not refund fees paid to Covad prior to cancellation of the Agreement or any fees collected for domain name registrations. Customers are required to abide by the terms outlined in the Hosting Services Agreement, these Customer Policies and the Acceptable Use Policy. Covad reserves the right to cancel a Customer's service for violation of these terms.

CANCELING SERVICE

Cancellation can occur for one of two reasons:

1. Customer-initiated cancellation:

A Customer may cancel its hosting plan at any time. In the event that a Customer cancels its hosting plan but wishes for Covad to maintain its domain name, the account will remain active and Covad will bill the Customer for the periodic (annual) domain name registration fee. If a Customer cancels its Covad access service, the hosting plan can remain in service and Covad will bill the Customer for the monthly recurring fees for the hosting plan and the periodic (annual) domain name registration fee.

2. Covad-initiated cancellation

Covad retains the right to cancel service at any time by providing Customer with thirty (30) days notice. Covad also retains the right to cancel service at any time for reasons related to:

- Non-payment or other breach of the Hosted Service Agreement
- Violation of the terms in these Policies or the Acceptable Use Policy

All Customer-initiated cancels must be done by calling Covad Customer Care at 888.64.COVAD or by faxing a notice of cancellation Covad at 866.839.2887.

COVAD EMAIL AND WEB HOSTING SERVICE CUSTOMER CARE POLICY

Covad provides 24x7x365 support for Customers using any hosting plan and covers issues related to:

- Ordering a hosting plan
- Registering or transferring a domain
- Setting up a web site using Covad-provided software
- Helping manage any hosting service features and settings
- Troubleshooting technical problems related to Covad hosting services

As a policy, Covad will not provide support for Hosting Services other than as listed above. In particular, Covad will not:

- Contact the other registrar/provider on behalf of the Customer to transfer a domain
- Resolve domain transfer problems that are caused by the other registrar/provider
- Call the Customer when the domain has been successfully transferred. This can be monitored in SMART.
- Build a web site for the Customer
- Answer in-depth questions about non-Covad-provided web design software (i.e., FrontPage)
- Debug HTML, ASP, or Perl code
- Perform data mining analysis

ADDITIONAL EMAIL AND WEB HOSTING SERVICE FEES

Add-on Features	Monthly Price
Additional Mailboxes	\$2 per email box
Additional Web site storage	\$3.75 per 5 MBs
Additional Web site transfer	\$1 per 100 MBs
Domain Name Registration	\$20 per year for .com,.net, .org \$35 per year for 2-yr registrations for .biz, .info, .us

CONTENT MANAGED AND DISTRIBUTED USING COVAD EQUIPMENT AND FACILITIES

By definition, the Customer is using Covad and its partners' equipment and facilities to store and distribute content via email and a web site. As such, Covad's reputation is at risk if a Customer abuses acceptable use policies set forth by Covad. Please see the Covad Acceptable Use Policy ("AUP") to become familiar with these issues.

TELEDEFEND SECURITY SERVICES DESCRIPTION

Service Name	Description
TeleDefend Firewall	Managed firewall service based on NetScreen device and using stateful packet inspection. Covad pre-configures and/or remotely configures the NetScreen device per Customer's order but Customer must self-install the NetScreen device. Once installed, Covad provides remote 24x7x365 customer support and 24x7x365 health monitoring.
TeleDefend VPN/Firewall	Site-to-site virtual private networking ("VPN") service based on NetScreen device and using IPSec Triple DES ("3DES") encrypted tunnels. Also includes a managed firewall, which uses stateful packet inspection. Covad pre-configures and/or remotely configures the NetScreen device per Customer's order but Customer must self-install the NetScreen device. Once installed, Covad provides remote 24x7x365 customer support and 24x7x365 health monitoring.

Covad may supply new or recertified equipment on new orders. Recertified equipment is equipment that (a) may have been removed from its original packaging by Covad or returned to Covad by an End User after a promotional offer, (b) is free from visible defects, and (c) is equivalent in function and appearance to new units. On new and recertified equipment purchased by Customer through Covad, Covad will provide a one (1) year replacement warranty from the Billing Start Date for manufacturer's defects. At Covad's discretion, any equipment Covad supplies as replacement equipment for existing equipment (e.g., for warranty purposes) may be new, recertified or refurbished. Refurbished equipment is previously owned equipment that has been remanufactured by the manufacturer or its agent, is free from visible defects, and is equivalent in functionality to new units. Any equipment supplied as replacement equipment will carry the remainder of the one (1) year warranty described above.

FIREWALL CONFIGURATIONS

Customers can specify up to 20 total incoming and outgoing policies for TeleDefend Firewall or TeleDefend VPN/Firewall Services. These policies can be customized to meet most Customer requirements. Customers can define an inbound policy to block all incoming connections for maximum security, or define an inbound policy that will allow access only to host servers for email, web pages, or almost any other IP based service. Outbound policy definitions can be created to limit the types of applications that can be accessed by users from within the network. For example, web surfing can be limited to only specific computers. Customers will work with a designated Covad Sales Engineer to define and implement TeleDefend Firewall and TeleDefend VPN/Firewall Services.

TELEDEFEND PROVISIONING

For each TeleDefend Service, Covad follows the following provisioning process:

- Covad configures the NetScreen device prior to shipping to Customer in the TeleDefend Self Installation Kit. The Self Installation Kit includes one (1) NetScreen device with a static and public IP address assigned, required cables, and installation instructions. For TeleDefend VPN/Firewall services, one (1) NetScreen device is needed for each site.
- Covad ships TeleDefend Self Installation Kit(s) to Customer's site(s). Covad notifies Customer of shipped TeleDefend Self Installation Kit(s) via an email, which includes shipping information. Upon receipt, Customer installs NetScreen device per installation instructions and calls Covad Customer Care to finalize configuration and activate service.
- Covad commences billing at the earlier of: (a) the time at which Customer has successfully completed the installation process and Covad has confirmed activation in an email and/or phone call, or (b) ten (10) business days after Covad has shipped the TeleDefend Self Installation Kit.

TELEDEFEND SERVICE LEVEL AGREEMENT

TeleDefend Customers receive TeleDefend-specific SLA. Additional SLAs might apply based upon the access service subscribed to by the customer. The TeleDefend SLA represents Covad's commitment to providing reliable security services for its Customers and is Customer's only remedy for service-related issues.

Time to Respond: Covad will respond to each TeleDefend configuration change request or trouble ticket within 24 hours. If Covad does not respond within such a 24 hour period, Covad will credit Customer 10% of monthly TeleDefend Service charges at the affected site per incident, up to a maximum of 30% per month. The Customer must proactively report failure to meet this SLA to receive credit for the month of the request.

Emergency Hardware Swap: In the event of a TeleDefend hardware failure, Covad will replace the security hardware within two (2) business days of when the failure is reported to and confirmed by Covad Customer Care. If Covad does not replace the security hardware within the two (2) business days, Covad will credit Customer 10% of monthly TeleDefend Service charges at the affected site per incident, up to a maximum of 30% per month. The Customer must proactively report failure to meet this SLA to receive credit.

All credit requests must be made pursuant to Covad's credit procedures outlined in the Claims and Credit Availability section of this document. In addition, TeleDefend Claims and Credit Availability are subject to the following conditions:

- Customer must contact Covad Customer Care immediately upon TeleDefend Service failure to perform;
- Covad must be at fault for the failure to meet the SLA (as determined by Covad in its sole and reasonable commercial judgment); and
- Customer must provide Covad remote access to the security hardware and other Covad-provided CPE at all necessary times.

COVAD BILLING POLICIES

Billing for access initiates the day the Customer's order is closed (the "**Billing Start Date**"). A first invoice will be generated at such time. All subsequent invoices will be generated based on Customer's monthly anniversary date. Customer's monthly

anniversary date will be the date the Customer registered with Covad and created a Covad account. . For example, if Customer created an account on July 6 and the order closed on July 20, a first invoice will be generated July 20 covering the installation, CPE and other non-recurring fees as well as monthly recurring fees pro-rated from July 20 until August 6. On August 6, an invoice will be generated to cover monthly recurring fees for the period from August 6 through September 6. Subsequent invoices will be generated on the 6th of each month, covering monthly recurring fees, which are due in advance and any pro-rated fees or non-recurring fees from the previous month.

The Billing Start Date for hosting services is dependent on whether the Customer ordered a hosting plan at the time access was ordered, if a hosting plan was purchased separately from access or if Customer does not have Covad access services. Monthly service charges, upgrades/downgrades and move orders are pro-rated for access and hosting plans. The billing policy for these scenarios is described below:

1. Customer orders access and hosting plan at the same time:

In the event that a Customer orders a hosting plan at the same time a Covad broadband service is purchased, billing initiates the day that the Customer’s access order closes. If, as described earlier, Covad is not able to provision the access plan originally requested, then Covad will notify the Customer and offer alternative access plans. The Billing Start Date for the hosting plan is dependent on the alternative access choice and is outlined in the following table:

Customer Access Choice	Billing Start Date
Customer selects alternative broadband service	Billing begins on the day the alternative order is closed
Customer selects Covad Dial-Up plan	Billing begins on the day the alternative order is closed
Customer cancels Covad access service	Hosted billing continues without change

2. Customer orders a Covad hosting plan at a different time than access or does not order Covad access:

If a Customer does not have Covad access services and does not order Covad access services, the Billing Start Date will be the date Customer registered with Covad and created an account and such date will be the monthly anniversary date. If a Customer purchases an access plan at a later date, fees for both access and hosting will be billed on the monthly anniversary date set when Customer created an account with Covad. If Customer has access and later adds a hosting plan, the anniversary date for access will match the anniversary date set when Customer created its account in connection with the access services. Fees for hosting are then pro-rated to match the billing anniversary date for access.

In both cases (1 & 2), Covad will send one integrated bill that reflects charges for all Covad services.

Customer may select one of three payment options: (1) check payment; (2) credit card payment or (3) automatic electronic funds transfer, when available to them. With the exception of government entities, all payment options may not be available for all billing (notify) methods. A Customer paying by check will receive paper invoices (“invoice billing”). A Customer paying by credit card or EFT will receive email statements. If Customer selects either credit card or electronic funds transfer, Covad will automatically debit such account each month. The Customer will receive an email of the monthly statement on their “invoice date”, which is based on Customer’s monthly anniversary date. If Customer selects invoice billing, Customer must remit payment to Covad each month. The Customer will receive a copy of the monthly invoice in the mail. As described above, a Customer is billed one month in advance for monthly recurring charges. For example, a customer billed on August 1st is charged from July 1st to July 31st for non-recurring charges as well as from August 1st to August 30th for monthly recurring charges. Customer shall be responsible for payment of any taxes or shipping charges. If Customer fails to pay any bill when due, Covad shall have the right to terminate the services and charge any disconnection and/or early termination fees that would apply if Customer had elected to terminate the Services. Payments are considered late if received after the due date.. For all late payments, Customer may be assessed interest at the lesser of (a) 1.5% per month on the outstanding balance due Covad or (b) the maximum interest charges permitted under applicable law. Covad may charge a processing fee of \$25.00 for returned checks.

An account with a multi-line end-user hierarchy (“**parent account**”) may select consolidated billing (one invoice for all end-user accounts; sent to the consolidated parent) or individual billing (separate invoices for each end user account; sent to the separate end-user payers). For purposes of definition, a consolidated parent account or a sub-account within an individual parent account hierarchy are treated as a “Customer” under the above billing and payment terms and conditions.

If a Customer upgrades or downgrades its existing service, Customer will be required to accept a new one or two year contract term. If Customer cancels service prior to the end of this new contract term, Customer will be charged the applicable early termination fees.

SERVICE DISCONNECTION AND SATISFACTION GUARANTEE

For new orders of TeleSurfer, TeleSoho, TeleSpeed, TeleXtend Internet Services and TeleDefend Security Services, Customers have thirty (30) calendar days after the Billing Start Date to request a disconnection without an early termination fee. If the disconnection request is received in the first thirty (30) calendar days of service, Covad will provide a refund credit equal to all fees billed, with the exception of any fees associated with a Missed Appointment charge and/or the Self-Installation Kit or Equipment. If Customer disconnects the service within this thirty (30) calendar day 'grace period' following the Billing Start Date, Customer may return the TeleSurfer or TeleSoho Installation Kit (other than for TeleSoho Dedicated Loop) for a full refund only if all equipment is included, if it is in its original working condition and original packaging and if it is received by Covad within thirty (30) days after Customer's disconnection request. Customer must call Covad Customer Care to disconnect the Customer Circuit. TeleSurfer and TeleSoho Customers will need to use the return label that was included in their installation kit. Customer should give the tracking number on the label to the Customer Care Agent so that Covad can track the status of the shipment. Upon verification that the shipment reached its destination intact, a credit will be issued to the Customer's account. TeleSpeed, TeleXtend and TeleSoho Dedicated Loop customers will receive a shipping label in the mail from Customer Care upon notifying Covad that they will be taking advantage of the 30 Day Satisfaction Guarantee. Covad will track the status of the shipment and issue a credit to the Customer's account upon verification that the shipment arrived intact. Customer is responsible for any shipping charges for returned equipment.

Standard termination fees will apply after this thirty (30) calendar day period and Customers will no longer be able to return their Self Installation Kit or other Equipment for credit. Termination fees will apply for Customers that switch their service to another provider prior to fulfilling their term agreement.

For Email and Web Hosting Service, Customers who cancel within 30 days of ordering a plan will receive a full refund for the set-up fees and the monthly recurring cost, including additional features. However, if a Customer has registered a domain, this fee will not be refunded as the Customer now owns that domain and has the right to transfer it elsewhere.

Applicable termination fees shall be the lesser of (a) the fees for the remaining balance of the Customer Term or (b) the applicable Termination Fee set forth in the Other Fees for Covad Services section of this document.

To disconnect a service, the Customer can choose one of two methods: 1) Call Covad Customer Care at 888.64.COVAD or 2) Fax a notice of cancellation to Covad at 866.839.2887.

CUSTOMER INITIATED SERVICE CHANGE DUE TO CUSTOMER MOVE

All Covad Customers who are initiating a change in service due to a move require a Move Order. The process for a Move Order requires a physical move of the Customer Circuit from one location to another; therefore the existing line will need to be disconnected and a new order entered for the new location. Upon disconnecting the existing Customer Circuit, the Customer will be charged the standard Early Termination Fee (noted in the "Other Fees for Covad Internet Services" sections below). However, once the Customer establishes Covad Internet service at the new location and retains the Internet service for at least 30 days, Covad will apply a Retention Bonus equal to the Early Termination Fee plus fifty percent (50%) of the new Service's first month's monthly recurring fee in the form of a credit on the Customer's invoice or credit card billing statement within 2 billing cycles.

Move Orders can be initiated by calling Covad Customer Care at 1-888-64-COVAD, or by visiting SMART Account Manager at www.covad.net.

TeleSurfer and TeleSoho Customers may re-use their existing equipment at their new location provided that equipment is compatible with their new service. Customers need to inform the Covad Customer Care Representative that they are moving locations and are planning on reusing their existing equipment. If the Customer fails to inform the Covad Customer Care Representative of the Move Order, a new CPE will be shipped and Customer will be billed for a new CPE. If the Customer does not retain the new service for at least 30 days, the Retention Bonus will not be paid.

TeleSpeed, TeleXtend and TeleSoho Dedicated Loop Move Orders will require Professional Installation services at the new location. Standard Professional Installation charges will apply. Customers will not necessarily be able to order TeleSpeed Reach services at their new location, even if they had the service at their previous location. Customers are advised to allow 30 days for the service to be installed at the new locations. Customers may re-use their existing equipment at their new location. Customers need to inform the Covad Customer Care Representative that they are moving locations and are planning on reusing their existing equipment. If the Customer fails to inform the Covad Customer Care Representative of the Move Order, a new CPE will be installed by the Covad Field Service Technician and the Customer will be billed for a new CPE. Once the Customer establishes Internet Service at the new location and retains the Internet service for at least 30 days, Covad will apply the aforementioned Retention Bonus in the form of a credit on the Customer's next invoice. If the Customer does not retain the new service for at least 30 days, the Retention Bonus and credit will not be paid.

In the event that Customer chooses to upgrade or downgrade to a different Internet Service requiring different CPE in connection with the move, Customer will need to order a new CPE and will be billed for the new CPE. Standard installation and equipment rebates available at the time of the move (if any) will apply. If Customer's requested Internet Service is not available at the new location or Covad does not provide any service to the Customer's new location, the disconnection will not be considered a move under this section. In such case, the standard Early Termination Fee will apply if applicable, and no Retention Bonus will be paid by Covad.

All Move Orders require the Customer to accept a new contract and new term agreement for the new service. Covad does not apply the Customer's previous contract or term agreement to the new service. Additionally, Customers will be subject to current Covad pricing for their new service. Covad does not guarantee that the Customer will be able to get the same pricing or service in their new location.

BILLING DISPUTES

If a Customer has a justified, good-faith dispute with any amounts on an invoice, Customer has (60) calendar days from the invoice date to claim a dispute by submitting in writing to support@covad.net or by calling Covad Customer Care at 1-888-64-COVAD. Customer must pay all amounts, whether or not in dispute, by the invoice due date. If Covad determines that Customer is entitled to a credit, Customer shall receive a credit on Customer's next invoice. If Customer fails to notify Covad of billing discrepancies within this (60) calendar day period, Customer will not be eligible for credit or invoice adjustments.

ACCEPTING NEW CONTRACTS

Covad may from time to time reduce pricing on existing services. Existing Customers have the opportunity to take advantage of the new pricing by accepting the terms of a new agreement. Unless otherwise stated, there will be an additional one or two year term requirements if the Customer accepts the new agreement. The Customer must visit SMART Account Manager (www.covad.net) to review any new pricing, and accept the terms of the new agreement.

OTHER FEES FOR COVAD INTERNET SERVICES

TELESURFER AND TELESOHO INTERNET SERVICES

INSTALLATION, REPAIR, AND TERMINATION FEES

Description of Service Provided	Price
TeleSurfer Internet Services Kit	\$99.00
TeleSoho Internet Services Kit	\$149.00
TeleSurfer or TeleSoho Internet Services Wireless Kit (not including adapter) *	\$159.00
TeleSurfer or TeleSoho Internet Services Wireless Kit (including adapter)*	\$179.00
Professional Installation for TeleSurfer Internet Services	\$99.00
Professional Installation for TeleSoho Internet Services	\$175.00
Field Service Technician Dispatch Charge for TeleSurfer Internet Services	\$99.00
Field Service Technician Dispatch Charge for TeleSoho Internet Services	\$175.00
Missed Appointment Charge	\$99.00

Early Termination Fee for TeleSurfer and TeleSoho Internet Services – After completion of service installation option by Covad and prior to completion of Customer term.	Lesser of remaining contract value or \$250.00
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* Covad only provides support for Wireless Kits for personal computers having operating systems of Windows 2000, Windows XP Home or Windows XP Professional.

TELESOHO IP ADDRESS FEES

IP Address Block	Usable	Set-Up Charge	Monthly Charge
256 with NAT	253 (NAT allows private IP address space behind the router)	Complimentary default	Complimentary default
8	5*	\$0	\$10

* For this configuration, Covad uses two (2) static IP addresses to provide the service and assigns one (1) static IP address to the router. A total of three (3) static IP addresses will be unavailable to the Customer.

TELESPEED AND TELEXEND INTERNET SERVICES

CUSTOMER PREMISES EQUIPMENT FEES

Customer Premise Equipment	Applicable Service(s)	Price
Netopia R4652-T IDSL/SDSL Router	TeleSpeed 144, 384, 768, 1.5	\$359.00
Efficient Networks Speedstream 5871 IDSL Router	TeleSpeed 144	\$359.00
Efficient Networks Speedstream 5851 SDSL Router	TeleSpeed 384, 768, 1.5	\$359.00
Netopia 4622 T1 Router	TeleXtend 384, 768, 1.5 and TeleSpeed Reach	\$599.00
Efficient Networks 5940 T1 Router	TeleXtend 384, 768, 1.5 and TeleSpeed Reach	\$599.00
Cisco 1721 T1 Router	TeleXtend 384, 768, 1.5 and TeleSpeed Reach	\$899.00

IP ADDRESS FEES

IP Address Block	Usable	Set-Up Charge	Monthly Charge
256 with NAT	253 private IP Addresses behind the router	Complimentary default	Complimentary default
8	5*	No Charge (Requires IP Justification Form)	Complimentary (By request only)
16**	13*		\$10.00
32**	29*		\$15.00
64**	61*		\$20.00
128**	125*		\$25.00
256**	253*		\$50.00

* For these configurations, Covad uses two (2) static IP addresses to provide the service and assigns one (1) static IP address to the router. A total of three (3) static IP addresses will be unavailable to the Customer. NAT is not available for these configurations.

** For configurations with 16, 32, 64, 128, or 256 IP addresses, the Customer must complete ARIN information forms, to justify the need for the large blocks of IP addresses. Covad does not guarantee approval of all IP address requests.

INSTALLATION, REPAIR, CANCELLATION AND TERMINATION FEES

Description of Service Provided	Price
TeleSpeed Setup and Installation Charge	\$225.00
TeleXtend and TeleSpeed Reach Setup and Installation Charge	\$450.00
Inside Wiring Charge - First Hour minimum	\$88.00
Additional 15 minute increments after initial hour	\$20.00
Field Technician Dispatch Charge - First hour minimum charge for dispatch during normal business hours	\$88.00
Additional 15 minute increments after initial hour	\$20.00
Early Termination Charge	Lesser of remaining contract value or \$500.00
Missed Appointment Charge	\$99.00
Special Construction Fees	See Below

SPECIAL CONSTRUCTION FEES

For TeleXtend and TeleSpeed Reach Internet Services, Special Construction Fees may apply for any additional non-standard work at the Central Office facility or Customer's premises necessary to deliver the service. Details of the special construction work along with the associated fees will be communicated to the Customer via email prior to any work beginning. If the Customer does not respond to Covad within twenty (20) days of receiving the special construction notice, the Customer's order will be cancelled. All TeleXtend and TeleSpeed Reach orders requiring Special Construction require Customer approval in writing (including email acceptance of the Special Construction Fees) prior to processing. Any Special Construction Fees incurred by Covad will be charged to the Customer along with any other applicable one-time installation or equipment fees. If the Customer cancels a TeleXtend or TeleSpeed Reach order after approving Special Construction Fees, the Customer will be responsible for any charges incurred by Covad as a result of that Special Construction plus any additional cancellation fees.

ADDITIONAL SERVICES FEES

DIAL-UP INTERNET SERVICE FEES

Service	Usage per Billing Cycle	Charge
Overage Usage	More than 150 hours for stand-alone Dial service More than 10 hours for TeleSurfer, TeleSoho, TeleSpeed and TeleXtend Internet Services	\$1.50/hour or any portion thereof
800 Service	Any amount of time above zero minutes	\$4.50/hour or any portion thereof

TELEDEFEND SERVICE FEES

Description of Service Provided	Charge	
NetScreen device	\$0.00	
TeleDefend Self Installation Charge	\$0.00	
Termination Charge per Site - Post Self Installation Kit has been shipped but prior to 12-month term.	\$500.00	
Returned Security Hardware charge – Failure to return NetScreen device within thirty (30) days of Termination. Charge based on age of NetScreen device from service start date.	0-3 months	\$1,100
	4-6 months	\$950
	7-9 months	\$800
	10-12 months	\$650
	13-15 months	\$500
	16-18 months	\$350
	19-21 months	\$200
	22-24 months	\$50
	25+ months	\$0

If Customer chooses not to return Security Hardware the above charges will apply. All equipment should be returned in the original working condition and original packaging within thirty (30) days after Customer's disconnection request. Failure to return the equipment in the original packaging, in working condition within the thirty-day period will result in a charge for the equipment as set forth in the above table based on the age of the NetScreen device from service start date. Customer must call Covad Customer Care to receive a Return Materials Authorization ("RMA") number and include the RMA number with the package. Customer is responsible for any shipping charges for returned equipment. Covad will not accept equipment without RMA identification and will charge the Customer for the equipment based on the above table if the equipment is returned without RMA identification.

GLOSSARY

Backbone

- A major transmission path used for high volume network to network connections.
- In Covad's network, the backbone network consolidates data traffic from the individual DSL lines into a backbone network for delivery to the Internet and/or other regions.

Bandwidth

- The amount of data that can flow through a given communications channel in a specified period time, usually seconds.

Bridge

- A device that connects two networks as a seamless single network using the same networking protocol.
- Bridges operate at the hardware layer and do not include IP routing functionality. They simply forward packets without analyzing and re-routing messages.

CO or Central Office

- A telephone company facility within which all local telephone lines terminate and which contains equipment required to switch Customer telecommunications traffic.

Commercially Reasonable Effort

- A service that does not carry a QoS (Quality of Service) or a SLA (Service Level Agreement), often times with no minimum throughput guarantees.
- Covad's ADSL Internet Services (TeleSurfer and TeleSoho Internet Services) are considered "*commercially reasonable efforts*"

CPE or Customer Premises Equipment

- Any equipment located at a Customer's premises. Modems, bridges and routers are considered CPE.
- Covad provides CPE for various Services at the prices described above.

CSU/DSU or Channel Service Unit/Digital Service Unit

- A common type of CPE for T1 services, the CSU/DSU terminates the physical connection and provides physical protection and diagnostic and monitoring features.

Demarc or Demarcation Point

- The point at the Customer premises where the line from the telephone company meets the premises wiring.

DHCP or Dynamic Host Configuration Protocol

- A protocol that allows end user workstation information including IP addresses to be dynamically assigned by a server on an as-needed basis.
- DHCP server functionality is built into most DSL routers.

DNS or Domain Name System

- The name resolution service for IP addresses that provides the friendlier text-based addresses for Internet resources.
Example: 192.168.1.1 = www.yourwebpage.com.

DSLAM or Digital Subscriber Line Access Multiplexer

- The device typically deployed at the CO that terminates all the DSL lines serviced by the CO.
- Covad places its own DSLAMs in leased space in a LEC's CO.

Dynamic IP

- An IP address is assigned to the client for the current session or some other specified amount of time.

Encryption

- Scrambles data in flight so the data is of no use if intercepted. It is the conversion of data into a form, called a ciphertext, which cannot be easily understood by unauthorized people. In order to recover the contents of an encrypted signal, the correct decryption key is required.
- Common forms of encryption include DES and 3DES. Covad's TeleDefend Service uses 3DES.

Ethernet

- A LAN technology that uses CSMA/CD delivery that can run over different media (cabling).
- Most of today's Ethernet LANs use twisted pair 10Base-T wiring that can support both standard Ethernet at 10Mbps and Fast Ethernet at 100Mbps

Firewall

- A device or software that filters the traffic exchanged between networks, enforcing each network's access control policy.

FOC or Firm Order Commitment

- A FOC is provided by the LEC and references the date that the LEC will perform the necessary work for Covad to establish a Customer's Internet service.

ILEC or Incumbent Local Exchange Carrier

- Also known as the telephone company, telco, LEC, RBOC, etc.

Inside Wiring

- Refers to wiring on the Customer side of the demarcation point.
- Customers are responsible for maintaining and extending inside wiring as needed to deliver Covad Internet Services.

IP Address or Internet Protocol Address

- A dotted decimal notation used to represent IP addresses. Example: 192.168.1.1

IPSec or Internet Protocol Security

- A developing standard for security at the network or packet processing layer. IPSec doesn't require changes to individual computers and is extensible, so new encryption standards can be swapped in as they become available.
- Provides 2 functions: authentication and encryption; and uses 3 components: AH, ESP and IKE. (AH -- Authentication Header, verifies authenticity of each packet. ESP -- Encapsulating Security Payload, encrypts the entire packet, and places it in a larger packet. IKE -- Internet Key Exchange, is the set of procedures that IPSec devices use to transfer security keys.)

Line sharing

- Line Sharing is a method of DSL line delivery that involves using an existing telephone line into the Customer's premises by electronically multiplexing the voice and data signals on the same physical wire.
- Line sharing separates the low voice frequencies and the higher data frequencies running across the same line

Local Loop

- A generic term for the connection between the Customer's premises and the telephone company's serving wire center.

NAT or Network Address Translation

- An Internet standard that allows a Customer's local network to use private IP addresses, which are not advertised to other users on the Internet. The IP address used for the router is the only IP address visible to the public Internet.
- Covad offers NAT with certain configurations of TeleSoho, TeleSpeed and TeleXtend Internet Services.

NIC or Network Interface Card

- The hardware that forms the interface between the computer (or other network device) and not only the data communications network for the LAN but also the IP connection through the DSL bridge or router.

NID or Network Interface Device

- A phone company installed device that connects a Customer's inside wiring to the telephone network. It is typically a small box installed on the exterior premises, basement or garage.

NID Splitter

- A device that a Covad technician installs at the Customers NID for line sharing orders. The splitter separates the voice traffic from the data traffic on the Customer's existing phone line.

PPPoE or Point-to-Point Protocol over Ethernet

- Covad uses PPPoE software to establish an Internet connection for certain Internet services.
- For TeleSurfer Link, TeleSurfer, and TeleSurfer Plus Internet Services, PPPoE software is required on the Customer's PC.

RJ-11

- A standard modular connector (jack or plug) that supports two pairs of wires (4 wires). Commonly used for most PSTN CPE such as a telephone, fax machine, modem

RJ-45

- A standard modular connector that can support up to four pairs of wires (eight wires).
- Commonly used with Category 5 ("Cat 5") cabling to create 10Base-T or 100Base-T networks.

Router

- A router is a device that connects two networks. Routers are similar to bridges, but provide additional functionality, such as the ability to filter messages and forward them to different places based on various criteria.
- The Internet uses routers extensively to forward packets from one host to another.

Static IP

- An assigned IP address used to connect to a TCP/IP network.
- The IP address stays assigned to the specific host or network device, so the same address can always be used to reach that device.