For use with Embarq Standard Terms and Conditions for Communications Services ("Standard Terms and Conditions"). This Annex is not applicable to Embarq Services governed by Tariffs on file with the FCC or state regulatory authorities.

EMBARQ LOCAL GOVERNMENT CUSTOMER ANNEX

This Embarq Local Government Customer Annex ("Annex"), together with the applicable cover agreement, modifies the Standard Terms and Conditions. This Annex takes precedence over all other conflicting terms and conditions of the Agreement. When attached to the applicable cover agreement, this Annex supersedes the version posted at www.embarq.com/ratesandconditions.

1. **Eligibility and Applicability.** This Annex is available to all local governmental entities and agencies in connection with the purchase of Embarq Products and Services sold under the Standard Terms and Conditions. Embarq defines "local governmental entities and agencies" as local entities and agencies, specifically excluding all state and federal entities and agencies, that receive their primary funding support through the allocation of appropriated public funds and are entitled to exercise sovereign rights and privileges.

2. **Indemnity.** Customer will honor all indemnity provisions under the Agreement only to the maximum extent permitted by applicable law. No section of the Agreement is intended to create a waiver of Customer's rights or privileges as a sovereign entity.

3. **Nonappropriation.**

   3.1. **Definition.** A "nonappropriation" occurs when Customer is unable to secure or allocate sufficient funds in its operating budget to fulfill its financial obligations under the Agreement.

   3.2. **Effect.** If a nonappropriation occurs during the Term, Customer may terminate the Agreement at the end of the then-current fiscal period ("Termination Date") without incurring any termination liability. Customer will not be obligated for payments for any fiscal period after the Termination Date.

   3.3. **Notice.** Customer will give Embarq written notice of any termination under this section at least 30 days before the Termination Date. At Embarq's request, Customer will promptly provide supplemental documentation about the nonappropriation.

   3.4. **Limitations.**

      A. Customer must take all necessary action to budget and secure any funds required to fulfill its contractual obligations for each fiscal year during the Term, including the exhaustion of all available administrative appeals if funding is initially denied.

      B. If Customer terminates the Agreement under this provision, Customer will not obtain the Services described in the Agreement from Embarq or from any other provider for a period of 180 days after the Termination Date. This obligation will survive termination of the Agreement for nonappropriation.

4. **Damages.** The Agreement does not create an obligation by Customer to pay any damages in excess of those amounts legally available to satisfy Customer's obligations under the Agreement.

5. **Ownership and Confidentiality.** The Agreement is a copyrighted work authored by Embarq and may contain Embarq trademarks, trade secrets, and other proprietary information. Embarq acknowledges that the Agreement may be subject to disclosure in whole or in part under applicable Freedom of Information, Open Records, or Sunshine laws and regulations (collectively, "FOI") . Customer will provide Embarq with prompt notice of any intended FOI disclosures or post-execution FOI requests, citations to or copies of applicable FOI for review, and an appropriate opportunity to seek protection of Embarq confidential and proprietary information consistent with all applicable laws and regulations.

6. **Governing Law**. The Agreement and the rights and obligations of the parties are governed by the laws of the U.S. State where Embarq provides the Products and Services, without regard to that State's conflict of laws principles.