

SETTLEMENT AGREEMENT

SETTLEMENT AGREEMENT (this "Agreement") made as of this 15th day of July, 2004 (the "Effective Date") by and among: (a) Qwest Corporation ("QC") and Qwest Communications Corporation. ("QCC" and collectively with QC, "Qwest"); (b) Winstar Communications LLC d/b/a IDT Solutions ("Winstar Communications"), Winstar Holdings, LLC ("Winstar Holdings" and, together with Winstar Communications, "Winstar") and Winstar's subsidiaries listed on Exhibit 1 (collectively with Winstar the "Winstar Entities") that own or operate any of the Winstar Business (as defined herein) and (c) IDT Corporation ("IDT"). Qwest, the Winstar Entities and IDT are hereinafter referred to as the "Parties" and each as a "Party".

WITNESSETH:

WHEREAS, certain of the Parties have engaged in disputes that are in litigation or otherwise before the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, the United States District Court for the District of New Jersey, and the subject of a Petition and Counter-Petition before the Federal Communications Commission; and

WHEREAS, the Parties' disputes for claims for the Pre-Sale Period relate in part to the purchase by the Winstar Entities of certain assets of Winstar Communications, Inc., *et al.* (the "Debtors"), pursuant to an Order of the Honorable Joseph J. Farnan, Jr., United States Bankruptcy Court for the District of Delaware, dated December 19, 2001 (hereinafter "Sale Order"); and

WHEREAS, certain of the Parties have conducted non-binding mediation in an effort to settle certain disputes between them that have been or could be filed in any form or asserted in any forum, in connection with the Pre-Sale Period disputes; and

WHEREAS, prior to the purchase of assets by the Winstar Entities, the Debtors had obtained various telecommunications services, facilities and circuits from Qwest in connection with the operation of Debtors' business, including, *inter alia*, certain access circuits, resale lines, frame relay services and collocation facilities; and

WHEREAS, the Winstar Entities advised the Bankruptcy Court of their desire to reject the Debtors' contracts with Qwest with respect to such services, facilities and circuits, and Qwest contested the propriety of the rejection of such contracts and further contends that monies are due and owing to Qwest for charges for services, facilities and circuits during the Pre-Sale Period; and

WHEREAS, during the Relevant Post-Sale Period the Winstar Entities have requested that Qwest provide certain services, facilities and circuits to the Winstar Entities that Qwest previously provided to the Debtors; and

WHEREAS, notwithstanding the fact that Qwest has disputed that it has an obligation to provide such services, facilities and circuits to the Winstar Entities without the Winstar Entities' payment of the Debtors' past debts owing on the contracts under which Qwest provides such

services, facilities and circuits to the Debtors (the "Pre-Sale Disputes"), Qwest has nonetheless continued to furnish same pursuant to the Sale Order; and

WHEREAS, subsequent to the entry of the Sale Order and during the Relevant Post-Sale Period, Qwest and the Winstar Entities have continued to have disputes concerning the (a) payments due to Qwest for telecommunications services provided and (b) the payments made by Qwest to Winstar, including *inter alia* payments made by Qwest pursuant to that certain Indefeasible Right of Use Agreement dated March 30, 2001 between Qwest Communications Corp. and Winstar Wireless, Inc. (together, the "Post-Sale Disputes"); and

WHEREAS, Qwest and the Winstar Entities desire to settle the disputes that are settled by this Agreement through and including June 15, 2004, and IDT, as the parent company of the Winstar Entities, has an interest in and desires to facilitate such settlement by funding the amounts payable to Qwest as set forth in Section 2.2 herein; and

WHEREAS, it is the intention of the Parties to make all reasonable efforts to discontinue most if not all services rendered by Qwest to the Winstar Entities as of June 15, 2004 or as soon as reasonably possible thereafter consistent with the legal, regulatory and contractual obligations of the Winstar Entities; provided, that it is also the intention of the Parties that services currently rendered by Qwest to the Winstar Entities shall be discontinued in strict compliance with all applicable laws and the terms of this Agreement.

AGREEMENT:

Now, therefore, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and based on the recitals set forth hereinabove which are an integral part of this Agreement, the Parties, intending to be legally bound, hereby agree as follows:

1. Definitions. When used herein the following terms have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person shall mean the possession, direct or indirect, of the power to vote 10% or more of the voting interests of such Person.

"Claims and Demands" or "Claim or Demand" means any and all actions, causes of actions, suits, Rights, liabilities, bonds, disputes, controversies, complaints, claims or demands, charges, amounts, disputes, damages, obligations, rights, controversies, refunds, settlements of unfiled agreement claims, comments and allegations, and/or regulatory claims.

"Contract" means any contract, mortgage, note, bond, undertaking, understanding, plan, arrangement, instrument, commitment or other agreement, oral or written, formal or informal, of any kind or nature.

"Discontinuance Date" means, with respect to any facilities, products or services currently provided to any of the Winstar Entities by Qwest, the date upon which the Winstar

Entities discontinue their provision of the last service to a Winstar customer which is provided using facilities or services provided by Qwest pursuant to a particular interconnection or other agreement, it being understood and agreed that there may be separate and distinct Discontinuance Date(s) for each state in which the Winstar Entities operate.

“include”, “includes” and “including” means, respectively, include, without limitation, includes, without limitation and including, without limitation.

“law” means, as to any Person, any United States and/or foreign federal, state, local or other statute, rule, regulation, ordinance, code, judicial decision, administrative determination, order or consent of a governmental authority or other law of any kind or nature, including any which regulates tariffs and/or interconnection charges.

“Losses” means any loss, liability, proceeding, claim, damage, demand, judgment, penalty, cost (including costs of investigation), expense (including reasonable legal fees and expenses, including legal fees and expenses incurred in the enforcement of the obligations under Sections 6.1, 6.2 and 6.3) and deficiency.

“Obligations” means any obligations of any kind or nature, including any obligations under any Contract and/or any law.

“Person” means any entity of any kind or nature and/or any individual.

“Pre-Sale Period” means any period prior to December 19, 2001.

“Qwest Affiliate” means any Affiliate of QC or of QCC.

“Relevant Post-Sale Period” means any period on or after December 19, 2001 through and including June 15, 2004.

“Rights” means any rights of any kind or nature, including any rights under any Contract and/or any law.

“Winstar Affiliate” means any Affiliate of Winstar.

“Winstar Business” means the business conducted with the assets purchased from the Debtors on or about December 19, 2001, including but not limited to with respect to any Competitive Local Exchange Carrier.

2. Effective Date; Settlement; Cash Payments.

2.1 Effective Date. Notwithstanding any provision to the contrary herein, this Agreement shall become effective upon the date first set forth above (the “Effective Date”).

2.2 Settlement of Disputes; Cash Payments. The Parties agree as follows:

(a)

[REDACTED] As set forth below and to the extent not inconsistent with any other term hereof, the payment by IDT of the Cash Payment shall be deemed to be payment in full for the products and services provided to the Winstar Entities by Qwest prior to and through June 15, 2004, and in consideration of the Cash Payment, the Winstar Entities shall not be liable for further payment for any Qwest services or facilities provided to the Winstar Entities by Qwest prior to and through June 15, 2004.

(b) The Cash Payment shall be paid to and held in an escrow account (the "Escrow Account") by an escrow agent (the "Escrow Agent") established pursuant to an escrow agreement substantially in the form set forth in Exhibit 2 hereto ("Escrow Agreement").

2.3 Early Termination of Agreement. This Agreement shall be void *ab initio* and of no force or effect, except as set forth in Subsection (b) of this Section 2.3, if terminated pursuant to Subsection (a) of this Section 2.3 ("Early Termination")

(a) There shall be an Early Termination if Winstar provides to the Escrow Agent, with a copy to Qwest a Notice of Claim, pursuant to and as defined in Section 4.1(b) hereof, at or before 5:00 p.m. (Eastern Daylight Time) on August 5, 2004. In the event of an Early Termination pursuant to this Section 2.3(a), the Escrow Agent shall release all amounts in the Escrow Account to IDT within one (1) business day of the delivery of such Notice of Claim to the Escrow Agent and Qwest.

(b) Any provision of this Agreement to the contrary notwithstanding, in the event of any Early Termination, (i) the IDT Guaranty set forth at Section 6 hereof shall survive such Early Termination and shall continue in full force and effect, and (ii) the Winstar Entities shall be liable for payment to Qwest for all services and facilities provided by Qwest to the Winstar Entities, according to the rates and procedures set forth in applicable Qwest tariffs.

2.4 Release of Escrow. In the event that there is no Early Termination at or before 5:00 p.m. (Eastern Daylight Time) on August 5, 2004, all amounts in the Escrow Account shall be released to Qwest within one (1) business day of the delivery by Qwest of a notice to the Escrow Agent advising that there has been no Early Termination and directing payment of the Escrow to Qwest.

2.5 No Admission. This Agreement is the result of a compromise and shall not be construed as an admission by the Parties of any liability, wrongdoing, or responsibility on their part or on the part of their predecessors, successors, Affiliates, attorneys, officers, directors, or employees. The Parties expressly deny any such liability, wrongdoing, or responsibility. The Parties confirm, for the purposes of completeness, that the foregoing provisions of this Section 2.5 are not intended to affect any liabilities or other obligations of any kind or nature or rights of any kind or nature provided for in this Agreement.

2.6 No Effect on Deposit. For the avoidance of doubt, the Parties agree that, notwithstanding any provision herein to the contrary (including the releases set forth in Section 4 herein), this Agreement is not intended to and shall not have any effect or bearing on the rights of QC with respect to that certain deposit of approximately [REDACTED] held by QC.

3. Termination of Rights and Obligations.

3.1 Termination of Services / Disconnects. The Winstar Entities have advised Qwest that they are in the process of substantially revising their business plans and that as a result they intend to discontinue substantially all of the services they provide in QC's operating territory and therefore to disconnect all of the facilities and services currently provided to them by Qwest. In connection with such discontinuances and disconnections, the Parties agree and acknowledge the right of Qwest, in accordance with and subject to the provisions of any applicable tariff, statute, rule, regulation or Qwest practice, to terminate the provision of services as set forth herein, including the disconnection of all usage, fibers, lines, circuits or any other means by which facilities, products or services may have been or may be provided by Qwest to the Winstar Entities or with respect to the Winstar Business, as of each applicable Discontinuance Date, unless terminated sooner pursuant to written agreement of any of the Winstar Entities.

3.2 Termination of Contracts. Each Contract pursuant to which Qwest has any Right or Obligation with respect to any of the Winstar Entities and/or the Winstar Business shall terminate effective as of the Discontinuance Date of all of the facilities, products or services provided pursuant to such Contract, and any provision to the contrary in any such Contract, including any rights to extend the term of such Contract or for the provision of any services after the termination of such Contract for any reason shall be deemed null and void. Qwest shall have no Obligation, except as provided in Section 3.3 hereof, to provide to any Winstar Entity, and no Winstar Entity shall have any Right to receive from Qwest, any facility, product or service after the Discontinuance Date for such facility, product or service. For the avoidance of doubt, it is the intention of the Parties that after each Discontinuance Date, Qwest shall have no Obligation whatsoever to provide any facility, product or service of any kind or nature to or through any of the Winstar Entities pursuant to any Contract or any Obligation in existence prior to the Effective Date, except to the extent otherwise provided herein, including Section 3.3 hereof.

3.3 Efforts to Disconnect. The Winstar Entities have made an effort to accomplish as many of the proposed disconnects as possible prior to June 15, 2004. The Parties expressly understand and acknowledge that notwithstanding such efforts by the Winstar Entities, not all of the intended disconnects have been completed prior to that date due to the need for certain regulatory approvals and in light of certain staffing limitations at the Winstar Entities and the incomplete state of Debtors' records as to the individual circuits purchased by the Winstar Entities from QC, and QC agrees that it will continue to provide the Retained Circuits, as defined in Section 3.4 hereof, after June 15, 2004, in accordance with and subject to the provisions of any applicable tariff, statute, rule, regulation or Qwest practice. In recognition of the incomplete state of Debtors' records as to the active or inactive status of individual circuits purchased from QC, the Parties agree to use their

reasonable efforts to cooperate with each other to facilitate such disconnections and to undertake them in such a way as to minimize any disruption of any service that might occur as a result of any uncertainty as to the current status of the service, in accordance with and subject to the provisions of any applicable tariff, statute, rule, regulation or Qwest practice.

3.4 Procedure for Disconnection of Services as of June 21, 2004. In all events in accordance with and subject to the provisions of any applicable tariff, statute, rule, regulation or Qwest practice, provisioning and operations representatives from QC and the Winstar Entities shall continue to confer and develop workable procedures for the disconnection of services, such as:

(a) as of June 21, 2004, the Winstar Entities have submitted to QC, for all QC facilities and services known to Winstar, including but not limited to any CRIS Accounts, that must remain active and in service after June 15, 2004 (the "Retained Circuits"), two lists (the "Retained Circuit List" submitted to Qwest on June 15, 2004, and the "Supplemental Retained Circuit List" submitted to Qwest on June 21, 2004, copies of which are set forth in Exhibit 3 hereto), which include, for each Retained Circuit, identifying information including the following: (i) its location, (ii) its Circuit Identification Number, line number, or other identifying number, (iii) where known by the Winstar Entities the applicable Billing Account Number;

(b) other than those Retained Circuits identified on the Retained Circuit List, the Supplemental Retained Circuit List or the Additional Retained Circuit List, QC shall disconnect all of the circuits or lines currently provisioned to the Winstar Entities as of June 15, 2004 or as soon thereafter as practical consistent with subsection (c); and

(c) a cooperative process whereby any circuit not on the Retained Circuit List and Supplemental Retained Circuit List for which it becomes known had active traffic as of the disconnection date can be reactivated as promptly as possible (each an "Additional Retained Circuit"). The Parties shall continue to maintain and update a list of any Additional Retained Circuits (the "Additional Retained Circuit List").

For the avoidance of doubt, all services and facilities not listed on the Retained Circuit List, the Supplemental Retained Circuit List, or the Additional Retained Circuit List shall be deemed disconnected as of June 15, 2004. The payment by IDT of the Cash Payment shall be considered payment in full for the products and services provided to the Winstar Entities through June 15, 2004, including any termination liability for circuits not included on the Retained Circuit List, the Supplemental Retained Circuit List, or the Additional Retained Circuit List.

3.5 Procedure for Disconnection of Services after June 15, 2004.

(a) Provisioning and operations representatives from Qwest and the Winstar Entities agree to continue to confer and develop workable procedures for periodic submission of disconnect lists to complete the physical disconnection of those circuits not on the Retained Circuit List, the Supplemental Retained Circuit List or the Additional Retained Circuit List, and to disconnect Retained Circuits and Additional Retained Circuits as they are no longer needed by Winstar to provide service.

(b) Any provision of this Agreement to the contrary notwithstanding, this Agreement, shall be construed in accordance with and subject to the provisions of any applicable tariff, statute, rule, regulation or Qwest practice, including but not limited to the following:

(i) QC will manage the disconnection of services and facilities in accordance with QC's standard project management procedures as appropriate to the circumstances. This will include, consistent with standard practices, prioritizing ASRs for disconnected circuits that Winstar requests back. In addition, and among other requirements, Winstar will be required to submit ASRs to disconnect LIS facilities and must cooperate with Qwest to accommodate any migration of customer or other action ancillary to such disconnect process;

(ii) Once circuits are disconnected they become generally available to any carrier, including Winstar, on a first-come first-served basis per standard connect/reconnect procedures and at standard rates;

(iii) After the Effective Date, the Retained Circuits and Additional Retained Circuits will be provided at standard rates, terms and conditions.

(iv) Any circuit that is not set forth on the Retained Circuit List, the Supplemental Retained Circuit List or the Additional Retained Circuit List will be disconnected by Qwest as soon as practicable consistent with any applicable tariff, statute, rule, regulation or Qwest practice.

3.6 Limitations on Usage. The Winstar Entities agree that Section 3 herein is based upon the premise and assumption by the Parties that the total aggregate monthly usage by the Winstar Entities of products and services provided by Qwest will not increase above the volume of usage of such products or services as of the Effective Date as measured by the amount that Qwest billed (or would have billed) the Winstar Entities for such services for the month of March, 2004 (the "Base Usage"). In the event that such usage does increase above the Base Usage, the Winstar Entities and IDT agree that they shall be jointly and severally responsible to pay and shall pay to Qwest, in addition to the Cash Payment, the full undisputed amount of any such increase in usage within five (5) business days of the receipt by the Winstar Entities of an invoice with customary supporting documentation from Qwest.

3.7 Services Provided As of and After June 16, 2004.

(i) Subject to this Section 3, with respect to all services and facilities provided by QC to the Winstar Entities on or after June 16, 2004, Qwest and the Winstar Entities agree that (a) the Parties will follow standard payment and billing practices under the applicable Interconnection Agreement or federal or state tariff; and (b) the Winstar Entities shall pay all amounts invoiced by Qwest, including with respect to all Retained Circuits and Additional Retained Circuits, subject to the standard dispute resolution practices under the applicable Interconnection Agreement or federal or state tariff then in effect, and the applicable deadline for filing of any disputes shall be established with reference to receipt of invoices by Winstar at the address provided in this Section 3.7. For the avoidance of doubt, the Winstar Entities shall pay all applicable tariff or Interconnection Agreement charges associated with the

reactivation of Additional Retained Circuits, and subsection (b) immediately above shall apply with respect to the Additional Retained Circuits from and including June 16, 2004, regardless of any period of deactivation, as if such Additional Retained Circuits had not been deactivated.

(ii) QC shall use reasonable efforts to adjust its billing systems so that invoices for QC services provided to the Winstar Entities after June 15, 2004 do not include any balances for any services or facilities provided prior to and through June 15, 2004.

(iii) All invoices in paper form shall be submitted to Winstar at the following address:

Winstar Communications, LLC
520 Broad Street
Newark, NJ 07102
Attn: Finance Department – 14th Floor

(iv) All invoices in electronic (CD ROM or FTP) form shall be submitted to Winstar at the following address:

Broadmargin
8500 Executive Park Avenue
Suite 110
Fairfax, VA 22031
Attn: Cust Care Win

(v) To the extent that Qwest may submit invoices to the Winstar Entities that include any charges for services rendered prior to and through to June 15, 2004, upon written notice to Qwest from the Winstar Entities, such charges shall be deemed disputed and the Winstar Entities shall pay the invoiced amount less any such disputed charges.

3.8 Statutory Compliance. It is the obligation of solely the Winstar Entities to provide any statutory notices and otherwise to comply with the requirements set forth at 47 U.S.C. § 214 or any successor thereof. In the event of any Claim or Demand against Qwest by any Person as the result of any termination or disconnection by Qwest pursuant to this Agreement, the Winstar Entities agree, jointly and severally, to indemnify Qwest for any losses, costs, fines, fees or other amounts incurred or payable by Qwest as the result of such Claim or Demand, including but not limited to reasonable attorneys' fees.

3.9 Amendments to ICAs. The Parties acknowledge that certain of the provisions in this Section 3 may pertain to going forward obligations concerning the provision of services and/or elements pursuant to Section 251 of the federal Telecommunications Act, 47 U.S.C. 251. Accordingly, within 30 days hereof, the Parties agree to jointly prepare and execute appropriate Amendments to the parties' Interconnection Agreements and to file those Amendments for approval under 47 U.S.C. 252(e) with the applicable state public utility commissions. The Parties agree to operate under the terms of this Section 3 for the period preceding approval of such Amendments.

4. Releases.

4.1 Mutual Releases. Except for the obligations of the Parties as set forth herein, and except to the extent set forth in subsections 4.1(a)-(c), and 4.2, each of QC and QCC and their Affiliates hereby fully and forever, irrevocably and unconditionally, release, and discharge Winstar and IDT and their Affiliates, and each of Winstar and IDT and their Affiliates hereby fully and forever, irrevocably and unconditionally, release, and discharge QC and QCC and their Affiliates of and from any and all Claims and Demands that are related to the Winstar Business (in law or in equity or otherwise, including any that are known or unknown, billed or unbilled, matured or unmatured, accrued or nonaccrued, discoverable or not discoverable and/or fixed or contingent) which against each other (and, solely in their capacity as such, their respective officers, directors, employees, agents and other representatives) it ever had, including any it may have had, now has or hereafter can, shall, or may have that relates to, arises out of or is otherwise in connection with any service or usage, other act or omission of any kind or nature occurring on or prior to the Effective Date.

(a) The Parties do not release any covenants, liabilities or other Obligations provided in this Agreement; provided, however, that as set forth in Section 2.3 of this Agreement, this Agreement, including all covenants, releases, liabilities and other Obligations provided in this Agreement, shall be void *ab initio* and of no force or effect in the event of an Early Termination of this Agreement;

(b) For the forty-five (45) days commencing on June 21, 2004 and ending at 5:00 p.m. (Eastern Daylight Time) on August 5, 2004, the Winstar Entities shall have the right to notify the Escrow Agent and Qwest in writing that they may bring a claim or claims with respect to services or facilities provided to Debtors by Qwest and/or a Qwest Affiliate during the Pre-Sale Period (a "Notice of Claim"); provided, that such claims do not relate to amount(s) due or claimed to be due for services or facilities provided to Debtors by Qwest and/or a Qwest Affiliate, including any adjustments that may be ordered by any state public utility commission (or similar state agency), which Notice of Claim constitutes an Early Termination pursuant to Section 2.3; and

(c) Qwest does not release any Claims or Demands with respect to that certain deposit of approximately [REDACTED] held by Qwest.

4.2 Preservation of Claims for Defensive Purposes. If in a bankruptcy proceeding in which a Winstar Entity is a Debtor any action is brought against Qwest or any Qwest Affiliate (including but not limited to any avoidance action) by any Winstar Entity, IDT, Affiliate of any Winstar Entity or IDT, assignee or other representative of any Winstar Entity, or any trustee, receiver or debtor-in-possession with respect to any of the Claims or Demands otherwise released herein or to set aside this Agreement, Qwest or any Qwest Affiliate shall be deemed not to have released, waived, discharged or acquitted any of their Claims and Demands against the Winstar Entities or IDT, and Qwest or any Qwest Affiliate shall be permitted to assert such uncompromised Claims and Demands against the claims being asserted against them, any lack of mutuality between Claims or parties notwithstanding, and the Winstar Entities and IDT hereby waive any right to raise lack of

mutuality as a defense, and to the extent Qwest provides services to the Winstar Entities subsequent to the Effective Date, the Claims for such services shall similarly be available to Qwest.

4.3 Release of MWE Escrow. Absent Early Termination of this Agreement, effective as of 5:00 p.m. (Eastern Daylight Time) on August 5, 2004, Qwest hereby fully and forever waives and releases any Claim or Demand to that certain escrow of approximately [REDACTED] plus all accrued interest (the "MWE Escrow"), held by the law firm of McDermott, Will & Emery, LLP ("MWE"), Qwest authorizes the release of the MWE Escrow by MWE to Winstar.

4.4 Dismissal of all Legal Actions by the Winstar Entities. To the extent not already dismissed, the Winstar Entities shall, and no later than sixty (60) days from the Effective Date, unconditionally dismiss with prejudice, pursuant to documents in form and substance reasonably satisfactory to Qwest: (a) its appeal from the Order of the Bankruptcy Court denying its Motion to Enforce Injunction Against Stopping Services to Debtors before the Cutoff Date dated April 19, 2002, as to Qwest; and (b) all proceedings and actions pending before the Federal Communications Commission insofar as they apply to Qwest.

4.5 [REDACTED]

4.6 Sale Order. The Parties acknowledge and agree that, absent any Early Termination of this Agreement, as of the forty-sixth (46th) day following the Effective Date, paragraph 23 of the Sale Order will no longer govern any part or provision of their ongoing relationship with respect to the Winstar Business and that the Winstar Entities and IDT will not, and IDT will cause each of the Winstar Entities not to, assert any rights under paragraph 23 of the Sale Order against Qwest or any Qwest Affiliate, and in the event of any conflict between the provisions of this Agreement and the Sale Order, the provisions of this Agreement shall be controlling.

4.7 Other Agreements with Respect to Releases. The Parties agree that the releases provided for in Section 4.1 hereof have been given in exchange for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and are intended by the Parties, subject to the limited exceptions set forth in Subsection 4.1(a), to be construed to be the broadest possible releases with respect to the subject matter thereof.

5. Representations and Warranties of the Parties.

5.1 Representations and Warranties by each Party. Each of the Winstar Entities jointly and severally represents and warrants to Qwest and the Qwest Affiliates, IDT represents and warrants to Qwest and the Qwest Affiliates and Qwest represents and warrants to the Winstar Entities and IDT as follows:

(a) It is an entity duly organized, validly existing and in good standing under the laws in which it was organized. It has the power and authority to execute, deliver and perform this Agreement. The execution, delivery and performance of this Agreement, including the consummation by such party of the transactions contemplated hereby, has been duly authorized by all necessary action on its part. It has duly and validly executed this Agreement. This Agreement is its valid and binding obligation enforceable against it in accordance with its terms.

(b) The execution, delivery and performance of this Agreement by it, including the consummation by it of the transactions contemplated hereby, does not and will not (i) require the consent, license, permit, waiver, approval, authorization or other action of, by or with respect to, or registration, declaration or filing with, or notice to, any federal, state, local or foreign governmental or regulatory authority, including any court, (ii) violate or conflict with the provisions of its articles of incorporation, by laws, articles of limited liability, limited liability company agreement, or other constituent documents or (iii) constitute a default (with or without notice or lapse of time, or both) under, violate or conflict with, or give rise to a right of termination, cancellation or acceleration or loss of a material benefit under any law, or under any Contract, permit or order to which it is party or by which it or any of its assets is subject or bound.

(c) No representation or warranty by it in this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein not misleading.

5.2 Representations and Warranties by IDT and the Winstar Entities.

(a) IDT and the Winstar Entities jointly and severally represent and warrant to Qwest and the Qwest Affiliates that the Winstar Entities listed on Exhibit 1 are a complete list of any and all of the Winstar Affiliates who operate the Winstar Business, that Winstar Holdings and Winstar Communications have the power and authority to bind all of the Winstar Entities to the terms and conditions of this Agreement, and that Winstar Holdings and Winstar Communications' signatures on this Agreement are in fact binding on all of the Winstar Entities.

(b) The Cash Payments are being made by IDT using funds belonging solely to IDT and not belonging to any of the other Winstar Entities and not having been transferred, directly or indirectly, by any of the other Winstar Entities to IDT within one (1) year prior to the Effective Date. IDT has the financial resources and capabilities necessary to fulfill its obligations hereunder, including payment in full of the Cash Payment, and the fulfillment of its obligations hereunder shall not cause IDT to become insolvent or unable to meet its other

financial obligations as they become due. IDT affirms that it will receive reasonably equivalent value in exchange for the fulfillment of its Obligations hereunder.

6. Guaranty by IDT. In the event that the Winstar Entities fail to pay any undisputed charge for Qwest services and facilities rendered to the Winstar Entities on or after June 16, 2004 within 30 days of receipt of an invoice from Qwest, IDT agrees to pay all such undisputed charges within 10 business days of presentment of the unpaid invoice by Qwest to IDT (the "IDT Guaranty").

7. Abandonment of IRUs.

7.1 On and after the Effective Date (i) all right, title and interest in or to any Indefeasible Rights of Use ("IRUs"), if any (the "Abandoned IRUs"), shall be deemed abandoned by the Winstar Entities to Qwest and (ii) Qwest shall thereafter have all right, title and interest of the Winstar Entities in the Abandoned IRUs.

7.2 In addition, as of the Effective Date, all rights and obligations of the Parties with respect to the Abandoned IRUs (including, without limitation (i) any obligations of Qwest to provide operation and maintenance services and (ii) the obligations of any of the Winstar Entities to make any payments with respect to any period on or after the Effective Date, including payments relating to operation and maintenance services) shall terminate.

7.3 This Agreement does not provide that any Party is assuming or agreeing to timely pay, perform or discharge any liability, commitment, obligation or lien of any other Party, or any statutory lien related to any of the Abandoned IRUs.

8. Other Provisions.

8.1 Entire Agreement; Amendments. This Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes any prior and/or conflicting understandings or agreements. No amendment or modification of this Agreement shall be valid or binding upon the Parties unless made in writing and executed by the Parties.

8.2 Third Party Beneficiaries. Qwest Affiliates are third party beneficiaries of this Agreement, including that they are entitled to enforce its provisions.

8.3 Confidentiality. Except for any disclosure that a Party in its sole good faith judgment concludes may be required by applicable law and except for disclosure to such Party's counsel, accountants and similar professionals, this Agreement, including the terms hereof, shall be confidential and may not be disclosed to any third party by any Party without the prior written consent of the other Parties; provided, that Qwest reserves the right to file this Agreement, if it reasonably believes such filing is required, with any State, federal or regulatory entity upon two (2) business days' prior written notice to Winstar.

8.4 Costs and Expenses. Except as otherwise provided in Section 6 hereof, the Parties will each bear their respective costs and expenses in connection with the transactions contemplated hereby.

8.5 Further Assurances. Without limiting the generality of any provisions of this Agreement, each Party agrees that upon request of any other Party, it shall, from time to time, do any and all other acts and things as may reasonably be required to carry out its obligations hereunder, to consummate the transactions contemplated hereby, and to effectuate the purposes hereof.

8.6 Rights and Remedies. All rights and remedies of any Party under any provision of this Agreement for any breach of this Agreement shall be in addition to any other rights and remedies provided for by any law of any kind (including specific performance). All rights and remedies contemplated in the preceding sentence shall be independent and cumulative, and may, to the extent permitted by law, be exercised concurrently or separately, and the exercise of any one right or remedy shall not be deemed to be an election of such right or remedy or preclude or waive the exercise of any other right or remedy.

8.7 Terminology. Titles of Sections and Subsections are for convenience only, and shall not modify rights and obligations created by this Agreement. All references herein to Sections and Subsections shall refer to the corresponding Sections and Subsections of this Agreement unless specific reference is made to Sections or Subsections of another document. Use of the words "hereby", "herein", "hereto", "hereof", "hereunder" and similar words shall be deemed to refer to this Agreement in its entirety and not merely to the Section wherein any such word may appear. Claims and Demands include any dispute that relates to, arises out of or is otherwise in connection with any Contract. With respect to all defined terms and all pronouns, the singular shall include the plural, and vice versa. The term "or" is used in the inclusive sense of "and/or" notwithstanding that the phrase "and/or" is specifically stated only in some cases. For all purposes of this Agreement, the term covenants includes the indemnification obligations contained in this Agreement.

8.8 Notices. Any notice or other communication required or permitted to be given pursuant to this Agreement shall be in writing signed by the Party giving such notice and shall be deemed to have been duly given to a Party if mailed by registered or certified mail, return receipt requested, sent by Federal Express or similar overnight delivery service against a signed receipt, or sent by facsimile transmission confirmed by first class mail to the receiving Party's address set forth on Exhibit 4 (such addresses for notices may be changed by providing a notice in accordance with the terms of this Section, in which case the Parties will substitute a new Exhibit 4 containing such new addresses).

8.9 Severability. If any provision of this Agreement or the application thereof to any Person(s) or circumstance(s) shall not be enforceable in whole, (i) the remainder of this Agreement and the application of such provision to other Person(s) or circumstance(s) shall not be affected thereby and (ii) each such provision shall be enforced to the greatest extent permitted by law.

8.10 Survival of Agreements. All of the representations, warranties, covenants and agreements, including indemnities, of each of the Parties contained in this Agreement shall survive without limit as to time, including survival of the execution, delivery and performance of this Agreement.

8.11 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York exclusive of conflicts of laws provisions. Any disputes with respect to the interpretation of this Agreement or the rights and obligations of the parties hereto shall be exclusively brought in any federal or state court of competent jurisdiction located in New York. Each Party consents to the jurisdiction of the courts of the State of New York in connection with any dispute. Each Party waives any right to object to the jurisdiction or venue of such courts or to claim that such courts are an inconvenient forum. Each Party agrees that, in any dispute, service of process or notice which is in writing and sent by certified or registered mail, return receipt requested, postage prepaid, shall have the same force and effect as if notice was personally served upon such Party.

8.12 Counterparts. This Agreement may be executed in two or more counterparts and by fax, each of which shall constitute an original, but all of which when taken together shall constitute but one Agreement. It shall not be necessary that any one counterpart be signed by the Parties so long as each Party shall have executed a counterpart.

8.13 Joint Efforts. This Agreement shall be deemed to constitute the joint efforts of the Parties and shall not be construed more severely against any Party.

8.14 Successors and Assigns. This Agreement shall inure to the benefit of, be binding upon and be enforceable by and against the Parties and their respective successors and assigns. Notwithstanding the preceding sentence, no Person with whom a Party may merge or otherwise enter into a transaction having any similar effect, including any Affiliate, shall extend the benefits of the releases provided for herein to any such other Person or its assets.

8.15 Consultation with Counsel. The Parties acknowledge that they have consulted with legal counsel of their choosing before entering into this Agreement, they have read this Agreement, they know and understand its contents, and they execute this Agreement freely and voluntarily. In executing and giving this Agreement, each Party acknowledges that it has not relied on any promise or representation that is not in this Agreement. Without limiting the generality of the preceding sentence, IDT, the Winstar Entities and Qwest specifically acknowledge that they cannot rely upon any oral or written representation previously made by the other Party outside of this Agreement as to any run rates.


8.16 No Waiver. No consent or waiver, express or implied, by a Party to or of any breach by any other Party in the performance by it of any of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of the breach in the performance by such Party of the same obligation or any other obligation of such Party hereunder. Failure on the part of any Party to complain of any act or failure to act of any other Party or to declare any other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by a Party of its rights hereunder. All consents and waivers shall be in writing and shall be strictly construed.

8.17 Conflict. In the event of any conflict between this Agreement and the terms of any applicable tariff, statute, rule, regulation or Qwest practice, the terms of the applicable tariff, statute, rule, regulation or Qwest practice shall be controlling.

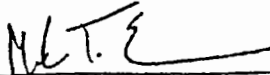
[Signatures Appear on the Next Page]

IN WITNESS WHEREOF, the Parties have hereto executed and delivered this Settlement Agreement as of the day and year first written above.

QWEST CORPORATION

By: 
Name: RAHN K. PORTER
Title: VP-FINANCE & ASST TREASURER

QWEST COMMUNICATIONS CORPORATION

By: 
Name: MARK T. EGAN
Title: VP + ASST TREASURER

WINSTAR COMMUNICATIONS, LLC

By: _____
Name: _____
Title: _____

WINSTAR HOLDINGS, LLC

By: _____
Name: _____
Title: _____

IDT CORPORATION

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have hereto executed and delivered this Settlement Agreement as of the day and year first written above.

QWEST CORPORATION

By: _____
Name: _____
Title: _____

QWEST COMMUNICATIONS CORPORATION

By: _____
Name: _____
Title: _____

WINSTAR COMMUNICATIONS, LLC

By: Gene Grieco
Name: Gene Grieco
Title: S.V.P.

WINSTAR HOLDINGS, LLC

By: Gene Grieco
Name: Gene Grieco
Title: S.V.P.

IDT CORPORATION

By: Marcelo Fischer
Name: Marcelo Fischer
Title: C.A.O./Controller

EXHIBIT 1

List of Winstar Companies

Winstar Holdings, LLC
Winstar Communications, LLC
Winstar Communications of Arizona, LLC
Winstar Communications of Delaware, LLC
Winstar Communications of Georgia, LLC
Winstar Communications of Hawaii, LLC
Winstar Communications of Indiana, LLC
Winstar Communications of Louisiana, LLC
Winstar Communications of New Jersey, LLC
Winstar Communications of New York, LLC
Winstar Communications of Pennsylvania, LLC
Winstar Communications of West Virginia, LLC
Winstar Communications of Virginia, LLC
Winstar Government Solutions, LLC
Winstar Spectrum, LLC
Winstar Wireless, LLC
Winstar Equipment, LLC
IDT Winstar Acquisition, Inc.

EXHIBIT 2

Escrow Agreement

ESCROW AGREEMENT

This Escrow Agreement dated as of July 15, 2004 (this "Agreement"), is by and among (i) Winstar Communications LLC, Winstar Holdings, LLC and IDT Corporation (collectively "IDT/Winstar"), (ii) Qwest Corporation and Qwest Communications Corporation (collectively "Qwest") on the other hand, and (iii) U.S. Bank National Association (the "Escrow Agent") in connection with that certain settlement agreement of even date herewith between IDT/Winstar and certain affiliates thereof and Qwest (the "Settlement Agreement"). Each of IDT/Winstar, Qwest and Escrow Agent may be referred to as a "Party" and collectively may be referred to as the "Parties".

RECITALS

1. IDT/Winstar and Qwest have entered into the Settlement Agreement.
2. Any capitalized terms not defined herein shall have the meanings ascribed to such terms in the Settlement Agreement.
3. The Settlement Agreement provides, in part, that for good and valuable consideration, IDT Corporation ("IDT") will pay to Qwest the sum of [REDACTED] (the "Settlement Amount").
4. The Settlement Agreement also provides that the Escrow Agent shall hold the Settlement Amount in escrow for the benefit of Qwest, unless the Settlement Amount is returnable to IDT, in either event, pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants, representations, and warranties contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties hereto (each a "Party" and collectively the "Parties") agree as follows:

AGREEMENT

1. Appointment of Escrow Agent. U.S. Bank National Association is hereby appointed as Escrow Agent under this Agreement, and the Escrow Agent hereby accepts such appointment.
2. Transfer and Deposit of Funds. IDT/Winstar shall transfer the Settlement Amount to the Escrow Agent, which shall deposit such Settlement Amount in an interest bearing account in a bank or trust company having a capital and surplus of at least [REDACTED].
3. Escrow of the Settlement Amount. The Escrow Agent will hold in escrow, to be distributed and payable pursuant only to the terms of this Agreement, the Settlement Amount (plus all accrued interest) (the "Escrow Funds"). All interest shall be reported, for tax purposes, by the recipient of the Escrow Funds.
4. Disposition of Escrow Funds.
 - 4.1 If at or before 5:00 p.m. (New York time) on August 5, 2004, the Escrow Agent receives from IDT/Winstar written notice, which may be by facsimile or e-mail, showing a

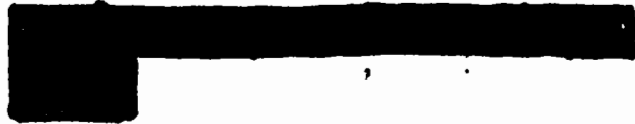
copy to Qwest, stating that IDT/Winstar may bring a claim or claims against Qwest and/or a Qwest Affiliate with respect to services or facilities provided by Qwest and/or a Qwest Affiliate during the Pre-Sale Period (a "Notice of Claim"), such notice shall constitute irrevocable instructions to the Escrow Agent to release the Escrow Funds to IDT within one (1) business day of the delivery of such Notice of Claim, by wiring the Escrow Funds to the following account:

Account Name:
Account #:
Bank Name:
Bank Rtg./ABA #:



4.2 The receipt by the Escrow Agent, on or after August 6, 2004, of notice from Qwest, which may be by facsimile or e-mail, showing a copy to IDT/Winstar, directing the Escrow Agent to release the Escrow Funds to Qwest, shall constitute irrevocable instructions to the Escrow Agent to release the Escrow Funds to Qwest within one (1) business day of the delivery by Qwest of such notice, by wiring the Escrow Funds to the following account:

Account Name: Qwest Corporation
Account #:
Bank Name:
Bank Rtg./ABA #:



4.3 In addition to section 4.1 or 4.2 hereof, the Escrow Agent shall release the funds as directed by a notice to the Escrow Agent signed by both Qwest and IDT/Winstar or according to an order of a court of competent jurisdiction.

5. Consent to Jurisdiction, Etc. With respect to any matters arising with respect to this Agreement or the subject matter hereof, including the enforcement or interpretation of this Agreement, the Parties hereby consent to the exclusive personal jurisdiction over them by the state and federal courts located in the State of New Jersey, County of Essex. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New Jersey (without regard to New Jersey's principles of conflicts of laws rules). The Parties waive trial by jury. Each Party has had the opportunity to review this Agreement with counsel and this Agreement shall not be interpreted or construed with any presumption against the Party that drafted this Agreement or caused this Agreement to be drafted.

6. Binding Effect; Assignability. This Agreement will be binding upon and inure to the benefit of the Parties and their permitted assigns. Except as and to the extent expressly provided herein, the rights, duties or obligations of any of the Parties hereunder may not be assigned without the prior written consent of each of the other Parties.

7. Amendment and Termination. This Agreement may be amended, modified or canceled only by written agreement of Qwest and IDT/Winstar and, if the action in any way affects the duties and/or responsibilities of the Escrow Agent, by a duly authorized representative of the Escrow Agent. This Agreement will terminate on the date on which there are no longer any Escrow Funds.

8. Representations, Warranties and Covenants. Each Party represents and warrants that: (a) it has the full right, power, and legal authority to execute, deliver, and perform this Agreement and to consummate the transactions contemplated by this Agreement; (b) this Agreement has been reviewed by counsel of its choosing and has been duly executed and delivered by such Party and is the valid and binding agreement of such Party, enforceable against it in accordance with this Agreement's terms; and (c) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and thereby will not (i) result in a breach or violation of, or constitute a default under, any agreement to which it is a Party, or (ii) violate any provision of any law, rule or regulation applicable to it.

9. Further Assurances. Each Party agrees to take or cause to be taken all such corporate and other action as may be necessary to effectuate the intent and purposes of this Agreement.

10. Waiver. Any term, provision or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term, provision or condition. Any such waiver granted hereunder shall be limited to the specific instance and purpose for which it is given. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. Notices. Any notice or other communication under this Agreement ("Notice") shall be in writing and shall be delivered in person or sent by pre-paid certified or registered mail, receipted overnight messenger service, receipted hand delivery, or facsimile or e-mail (with electronic confirmation), as follows:

If to Qwest, addressed to:

Mr. Rahn Porter, Vice President
– Finance and Assistant Treasurer
Qwest Corporation
1801 California Street
Denver, Colorado 80202

With a copy (which shall not constitute notice to Qwest) to:

Andrew H. Sherman, Esq.
Sills Cummis Epstein & Gross PC
One River Front Plaza
Newark, New Jersey 07102
Facsimile: (973) 643-9500

If to IDT/Winstar addressed to:

IDT Corporation
Attn: Marcelo Fischer (marcelo.fischer@exchange.idt.net)
& Bill Pereira (bill@winstar.com)
520 Broad Street
Newark, NJ 07102
Facsimile: 973-438-1515

With a copy (which shall not constitute notice to IDT/Winstar) to:

Jean L. Kiddoo
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007
Fax: 202-424-7645

If to Escrow Agent to:

U.S. Bank National Association
Attn: Dawnita Ehl
Vice President
U.S. Bank Corporate Trust Services
1420 Fifth Avenue, 7th Floor
Seattle, WA 98101
Phone: 206-344-4685
Fax: 206-344-4630

Any Party may change such Party's address for purposes of this Agreement by giving thirty (30) days written Notice in accordance with this Section.

12. Severability. If any term or other provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all of the other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated herein is not affected in any manner materially adverse to any Party.

13. Costs and Expenses. Each Party shall bear its own costs and expenses relating to the negotiation and execution of this Agreement, including without limitation any legal fees incurred by such Party; provided, that all costs and expenses of the Escrow Agent shall be paid by Qwest.

14. Entire Agreement. This Agreement, together with the Settlement Agreement, supersedes all prior and/or contemporaneous negotiations, understandings, discussions and agreements (written or oral) between the Parties with respect to the subject matter hereof (all of which are merged herein) and contains the sole and entire agreement among the Parties with respect to the subject matter hereof. Should there be any conflict between the terms and provisions of this Agreement and those set forth in the Settlement Agreement, the terms and provisions of this Agreement shall govern and be controlling.

15. Counterparts. This Agreement may be executed in one or more counterparts (including signature pages signed and delivered by facsimile transmission), each of which will be deemed an original, but all of which together will constitute one and the same agreement.

16. Escrow Agent. Notwithstanding anything contained in this Escrow Agreement, the following terms and conditions shall apply to Escrow Agent's performance of its duties:

(a) Duties: It is agreed that the duties of Escrow Agent are only such as are herein specifically provide, being purely ministerial in nature, and that Escrow Agent shall incur no liability whatsoever for its actions, except for willful misconduct or gross negligence. So long as Escrow Agent has acted in good faith, the other Parties hereto release Escrow Agent from any act done or omitted by Escrow Agent in good faith in the performance of Escrow Agent's duties hereunder.

(b) Sole Liability: Escrow Agent assumes no liability hereunder except that of a stakeholder. If there is any dispute as to whether Escrow Agent is obligated to deliver the Escrow Funds, or as to whom the Escrow Funds are to be delivered, Escrow Agent will not be obligated to make any delivery, and in such event shall hold the Escrow Funds until receipt by Escrow Agent of an order of a court of competent jurisdiction directing the disposition of the Escrow Funds. Escrow agent shall have the right, but not the obligation, to interplead the Escrow Funds in the event of any dispute concerning the Escrow Funds. Once Escrow Agent has tendered the Escrow pursuant to the terms of this Agreement, Escrow Agent shall be discharged from all duties and shall have no further liability hereunder as Escrow Agent.

(c) Indemnification: Each of Qwest and IDT/Winstar jointly and severally, indemnify, defend, and hold harmless Escrow Agent from and against any and all claims, demands, losses and causes of action incurred by Escrow Agent in the performance of its duties hereunder, except for such claims, demands, losses and causes of action, as are incurred by Escrow Agent solely as a result of its negligence, intentional misconduct, or gross negligence. The terms of this Paragraph shall survive any termination of this Escrow Agreement.

(d) Escrow Agent is hereby directed to deposit and invest funds in an interest bearing U.S. Bank Money Market Savings Account. Depositors acknowledge that the U. S. Bank money market accounts are U. S. Bank National Association deposit accounts designed to meet the needs of global escrow and other corporate trust customers of U. S. Bank National Association. The accounts pay competitive variable interest rates, which are determined based upon the customer's aggregated balance. Each customer's deposit is insured by the Federal Deposit Insurance Corporation. Interest rates currently offered on the accounts are determined at U. S. Bank's direction and may change daily. U. S. Bank National Association uses the daily balance method to calculate interest on these accounts. This method applies a daily periodic rate to the principal in the accounts each day of the month and dividing that figure by the number of days in the period. Interest on customer deposits begins to accrue on the business day funds are credited to the U.S. Bank deposit account. Interest is compounded on a monthly basis. The owner of the accounts is U. S. Bank National Association as agent for its customers. All account deposits and withdrawals are performed by U. S. Bank National Association. Any and all interest earned on the Proceeds after the deposit shall be added to the Proceeds and shall become a part thereof. Escrow Agent shall thereafter hold, maintain and utilize the Proceeds pursuant to the terms and conditions of this Agreement. Depositors shall provide Escrow Agent with a W-9 or W-8 IRS tax form prior to the disbursement of interest and Escrow Agent will file the appropriate 1099 or other required forms

pursuant to Federal and Colorado laws. A statement of citizenship will be provided if requested by Escrow Agent. Escrow Agent shall not be responsible for maximizing the yield on the Proceeds. Escrow Agent shall not be liable for losses, penalties or charges incurred upon any sale or purchase of any such investment.

[The next page is the signature page]

The Parties have executed and delivered this Agreement as of the date first written above.

QWEST COMMUNICATIONS CORPORATION

By: _____
Name: Mark T. Evans
Title: VP Finance and Assistant Treasurer

QWEST CORPORATION

By: _____
Name: Rahn K. Porter
Title: VP Finance and Assistant Treasurer

WINSTAR COMMUNICATIONS LLC

By: _____
Name: Abilio Pereira
Title: Chief Financial Officer

WINSTAR HOLDINGS, LLC

By: _____
Name: Abilio Pereira
Title: Chief Financial Officer

IDT CORPORATION

By: _____
Name: Marcelo Fischer
Title: Chief Accounting Officer/Controller

U.S. BANK NATIONAL ASSOCIATION

By: _____
Name:
Title:

EXHIBIT 3

Retained Circuit List and Supplemental Retained Circuit List

Confidential pursuant to
WAC 480-07-160
REDACTED

Exhibit 3
Qwest Retained Circuit List - 6-15-04

Exhibit 3
Qwest Retained Circuit List - 6-15-04

Exhibit 3
Qwest Retained Circuit List - 6-15-04

Exhibit 3
Qwest Retained Circuit List - 6-15-04

Exhibit 3
Qwest Retained Circuit List - 6-15-04

Exhibit 3
Supplemental Retained Circuit List - 6-21-04

Exhibit 3
Supplemental Retained Circuit List - 6-21-04

Exhibit 3
Supplemental Retained Circuit List - 6-21-04

Exhibit 3
Supplemental Retained Circuit List - 6-21-04

Exhibit 3
Supplemental Retained Circuit List - 6-21-04

Exhibit 3
Supplemental Retained Circuit List - 6-21-04

EXHIBIT 4

Addresses for Notices

<p>For: Winstar Communications, LLC</p> <p>Winstar Communications, LLC Attn: Chief Executive Officer 520 Broad Street Newark, NJ 07102</p> <p>With a copy to:</p> <p>Winstar Communications, LLC Attn: Legal Department 520 Broad Street Newark, NJ 07102</p> <p>And with copies by e-mail to:</p> <p>bpereira@winstar.com ggrieco@winstar.com</p>	<p>For Qwest Corporation</p> <p>Qwest Corporation Attn: Richard N. Baer General Counsel 1801 California, Room 5200 Denver, CO 80202-1984</p> <p>With copies by e-mail to:</p> <p>rich.baer@qwest.com jane.frey@qwest.com</p>
<p>For: Winstar Holdings, LLC</p> <p>Winstar Holdings, LLC Attn: Chief Executive Officer 520 Broad Street Newark, NJ 07102</p> <p>With a copy to:</p> <p>Winstar Holdings, LLC Attn: Legal Department 520 Broad Street Newark, NJ 07102</p> <p>And with copies by e-mail to:</p> <p>bpereira@winstar.com ggrieco@winstar.com</p>	<p>For: Qwest Communications Corporation</p> <p>Qwest Communications Corporation Attn: Richard N. Baer General Counsel 1801 California, Room 5200 Denver, CO 80202-1984</p> <p>With copies by e-mail to:</p> <p>rich.baer@qwest.com jane.frey@qwest.com</p>

For: IDT Corporation

IDT Corporation
Attn: Chief Executive Officer
520 Broad Street
Newark, NJ 07102

With a copy to:

IDT Corporation
Attn: Legal Department
520 Broad Street
Newark, NJ 07102

And with copies by e-mail to:

michael.levine@corp.idt.net
marcelo.fischer@exchange.idt.net
diane.clark@corp.idt.net