

*Industry I-Net, Inc.*

*presents*

*the following documents:*

➤ *LONG DISTANCE SERVICES AGREEMENT*

➤ *PRODUCT OFFERINGS with RATES,  
TERMS & CONDITIONS*

**INDUSTRY I-NET, INC.  
LONG DISTANCE SERVICES AGREEMENT**

This Agreement ("Agreement") governs the rates, terms and conditions for provision by Industry I-Net, Inc. ("Company") of interstate and international long distance service ("Service"). Interstate long distance service is a service involving a call originating in one state and terminating in another state (also referred to as a "state-to-state" call). International long distance service is a service involving a call originating in one country and terminating in another country. As used in this Agreement, "you" and "your" refer to the individual or entity using or paying for the Service. **THIS AGREEMENT INCORPORATES BY REFERENCE THE RATES, TERMS AND CONDITIONS INCLUDED IN THE INDUSTRY I-NET, INC. RATES, TERMS AND CONDITIONS DOCUMENT.** The Industry I-Net, Inc. Rates, Terms and Conditions Document ("RTC Document") is available at the Company's offices at 17105 Fordtran Boulevard, Industry, Texas 78944.

**BY ACCEPTING SERVICE FROM THE COMPANY, YOU ACCEPT THE RATES, TERMS AND CONDITIONS INCLUDED IN THIS AGREEMENT AND THE INCORPORATED RTC DOCUMENT AS A BINDING AGREEMENT BETWEEN YOU AND THE COMPANY.**

- 1. SERVICES.** Availability of individual Service offerings of the Company is described in the RTC Document.
- 2. RATES.** You agree to pay the Company for the Services at the rates and charges listed in the RTC Document. The Company will apply rates and charges for Services provided to you as described in the RTC Document.
- 3. CHANGES IN RATES, TERMS AND CONDITIONS.** The Company may change this Agreement, including the incorporated RTC Document, from time to time. Changes in rates, terms and conditions are effective no sooner than fifteen (15) days after the Company posts on its web site modifications to the RTC Document reflecting the changes. The Company will also notify you of increases by bill message, bill insert or other reasonable commercial method at least fifteen (15) days prior to the effective date for the increases. Advance notice does not apply to increases in taxes and other charges described in Section 5 below. The Company may decrease rates and charges without providing advance notice. **USE OF THE COMPANY'S SERVICE AFTER THE FIFTEEN (15) DAY NOTICE PERIOD SHALL BE CONSTRUED AS YOUR AGREEMENT TO THE CHANGED RATES, TERMS AND CONDITIONS.**
- 4. PAYMENTS.** You must pay all bills or invoices from the Company for Services on or before the due date. Terms and conditions applicable to payment are contained in the RTC Document. Terms and conditions contained in the RTC Document applicable to payments include, but are not limited to, a requirement for payment by you of late payment charges at the highest interest rate allowable by law applied to past due amounts.
- 5. TAXES AND OTHER CHARGES.** In addition to payment for Services, you must pay all taxes, fees, surcharges and other charges that the Company bills you related to Services. Taxes and surcharges will be in the amounts that federal, state and local authorities require the Company to bill you. The company will not provide advance notice of changes to taxes and surcharges, except as required by applicable law.

**6. TERMINATION OR DENIAL OF SERVICE BY THE COMPANY.** In the event of nonpayment of any bill rendered or any required deposit, the Company may, after written notice, suspend your Service. The Company may, immediately and without notice to you, and without liability of any nature, temporarily deny, terminate, or suspend your Service:

a. in the event you or your agent: (i) willfully damage the Company's equipment, interfere with use of the Company's Service by other customers of the Company; (ii) unreasonably place capacity demands upon the Company's facilities or Service; or (iii) violate any statute or provision of law, or any rule or regulation of any state or federal regulatory agency relating to communications; or (iv) otherwise fail to comply with the provisions of this Agreement or applicable law; or

b. in the event you become insolvent, are the subject of any formal legal proceeding commenced in a court involving a voluntary or involuntary petition or proceeding in bankruptcy, seek protection or relief from creditors in a formal legal proceeding after a filing for such relief, or execute an assignment for the benefit of creditors; or

c. in the event that the Company determines that any Service is being used fraudulently or illegally, whether by you or your agent.

**7. INDEMNIFICATION. YOU AGREE THAT THE COMPANY SHALL NOT BE RESPONSIBLE FOR ANY THIRD-PARTY CLAIMS AGAINST THE COMPANY THAT ARISE FROM YOUR USE OF THE SERVICES. FURTHER, YOU AGREE TO REIMBURSE THE COMPANY FOR ALL COSTS AND EXPENSES RELATED TO THE DEFENSE OF ANY SUCH CLAIMS, INCLUDING ATTORNEYS' FEES, UNLESS SUCH CLAIMS ARE BASED ON THE COMPANY'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE. THIS PROVISION WILL CONTINUE TO APPLY AFTER THE AGREEMENT ENDS.**

**8. LIABILITIES OF THE COMPANY.** Except as stated in this Section 8, the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights or privileges contemplated in this Agreement.

a. The liability of the Company for damages resulting in whole or in part from or arising in connection with the furnishing of Service under this Agreement including, but not limited to, mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations shall not exceed an amount equal to the charges under this Agreement applicable to the specific call (or portion thereof) that was affected. No other liability shall attach to the Company.

b. The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to: (1) acts of God, fires, flood or other catastrophes; (2) any law, order, regulation, directive, action or request of the United States Government, or any other government, including state and local governments having jurisdiction over the Company, or of any department, agency, bureau, corporation or other instrumentality of any one or more of said governments, or of any civil or military authority; or (3) national emergencies, insurrections, riots, wars or other labor difficulties.

c. The Company shall not be liable for any act or omission of any other entity furnishing facilities, equipment, or services used by a Customer, with the Company's Services. In addition, the Company shall not be liable for any damages or losses due to the failure or negligence of any customer or due to the failure of customer provided equipment, facilities or services.

**9. WARRANTIES. EXCEPT AS THIS AGREEMENT EXPRESSLY STATES, THE COMPANY MAKES NO EXPRESS WARRANTY REGARDING THE SERVICES AND DISCLAIMS ANY IMPLIED WARRANTY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

**10. BILLING DISPUTES.** If you believe you have been billed by the Company in error, you must contact the Company within sixty (60) days of the date of the bill which contains the disputed charge. Refunds or adjustments will not be issued for any charge that is more than sixty (60) days old at the time you notify the Company. You may withhold from payment to the Company the disputed portion of any bill pending resolution of the dispute. You must pay all non-disputed charges on the bill by the due date indicated on the bill. The Company will notify you of the results of its inquiry, and either adjust the billing, issue a credit, or notify you that all or a portion of the disputed amount is still owed. You will be required to pay such amount within fifteen (15) days thereafter, and if you fail to pay this amount within the time required, your account will be deemed past due and unpaid and your Service subject to termination under Section 6 above. Any payments you withhold pending resolution of the dispute may be subject to a late payment charge at the highest interest rate allowable by law applied to past due amounts.

## **11. MISCELLANEOUS**

**a. Entire Agreement.** This Agreement (which incorporates by reference the RTC Document) constitutes the entire agreement between the Company and you and supersedes all prior agreements, understandings, statements or proposals, and representations, whether written or oral. This Agreement can be amended only as provided in Section 3 above. No written or oral statement, advertisement, or service description not expressly contained in the Agreement will be allowed to contradict, explain, or supplement it. Neither you nor the Company is relying on any representations or statements by the other party or any other person that are not included in this Agreement.

**b. Separability.** If any part of this Agreement is found invalid, the rest of the Agreement will remain valid and enforceable.

**c. No Third Party Rights.** This Agreement does not provide any third party with a remedy, claim, or right of reimbursement.

**d. Assignment.** The Company can assign all or part of its rights or duties under this Agreement without notifying you. You may not assign this Agreement or the Services without the Company's prior written consent.

**e. Notices.** Notices from you to the Company must be provided as specified in this Agreement. Notice from you to the Company made by calling the Company is effective as of the date that the Company's records show that the Company received your call. The Company's notice to you under this Agreement with respect to changes in rates, terms and conditions will be provided as described in Section 3 above. The Company's notice to you under this Agreement for matters other than changes in rates, terms and conditions will be provided by one or more of the following: posting on our web site, recorded announcement, bill message, bill insert, newspaper ad, postcard, letter, call to your billed telephone number.

**f. Governing Law.** This Agreement will be governed by the laws of the State of Texas.

RATES, TERMS AND CONDITIONS DOCUMENT (RTC DOCUMENT)  
CONTAINING  
RATES, TERMS AND CONDITIONS  
APPLICABLE TO  
LONG DISTANCE SERVICES  
FURNISHED BY

**INDUSTRY I-NET, INC.**

FOR INTERSTATE AND INTERNATIONAL LONG DISTANCE SERVICES  
AS PROVIDED FOR HEREIN.

AUGUST 1, 2004

LONG DISTANCE SERVICES

**TABLE OF CONTENTS**

	<b><u>Page No.</u></b>
<b>Section 1: <u>General</u></b> .....	<b>1-1</b>
1.1 Application of Rates, Terms and Conditions .....	1-1
1.2 Definitions .....	1-2
<b>Section 2: <u>Terms and Conditions – Interstate and International Long Distance Services</u></b> .....	<b>2-1</b>
2.1 Undertaking of the Company.....	2-1
2.1(a) Scope.....	2-1
2.1(b) Limitations.....	2-1
2.2 Obligations of the Customer .....	2-1
2.3 Liabilities of the Company.....	2-3
2.4 Service Orders .....	2-3
2.5 Charges and Payments for Service or Facilities .....	2-4
2.5(a) Deposits .....	2-4
2.5(b) Description of Payment and Billing Periods .....	2-4
2.5(c) Taxes and Other Charges .....	2-5
2.5(d) Payment and Late Payment Charge.....	2-5
2.5(e) Insufficient Fund Charge .....	2-5
2.5(f) Credit Allowance/Service Interruptions .....	2-6
2.5(g) Service Interruption Measurement .....	2-6
2.6 Termination or Denial of Service by the Company .....	2-7
2.7 Billing Disputes.....	2-7
<b>Section 3: <u>General Classification and Description of the Company's Service - Interstate and International Long Distance Services</u></b> .....	<b>3-1</b>
3.1 Service Points .....	3-1
3.2 Measurements/Availability of Service .....	3-1
3.3 Timing of Calls.....	3-1
3.4 Method of Applying Rates.....	3-2
3.4(a) Interstate Long Distance Services.....	3-2
3.4(b) International Long Distance Service .....	3-2
3.5 Promotional Discounts .....	3-2
3.6 Dialed Long Distance Services.....	3-3
3.7 Directory Assistance Service .....	3-3

T

LONG DISTANCE SERVICES

TABLE OF CONTENTS (Cont'd)

		<u>Page No.</u>
<b>Section 4: <u>Rates for Interstate Long Distance Service</u>.....</b>		<b>4-1</b>
4.1	Insufficient Fund Charge .....	4-1
4.2	Direct Dial Services.....	4-1
4.3	Directory Assistance Service .....	4-2
4.4	Universal Service Fund (USF) Fee.....	4-2
<b>Section 5: <u>Rates for International Long Distance Service</u> .....</b>		<b>5-1</b>
5.1	Insufficient Fund Charge .....	5-1
5.2	Rate Schedules.....	5-2
	5.2(a) Standard International Service.....	5-2
5.3	Universal Service Fund (USF) Fee.....	5-9

T

T

## LONG DISTANCE SERVICES

**1. General**1.1 Application of Rates, Terms and Conditions

- (a) The rates, terms and conditions contained within this document, hereinafter referred to as "Rates, Terms and Conditions," are applicable to the provision of Interstate Long Distance Service and International Long Distance Service, hereinafter collectively or individually referred to as "Service", by Industry I-Net, Inc., hereinafter referred to as the "Company", as specified herein. Service is furnished subject to the availability of facilities and subject to transmission, atmospheric and like conditions. By accepting Service from the Company, the Customer accepts these Rates, Terms and Conditions as a binding agreement between the Customer and the Company.
- (b) These Rates, Terms and Conditions are incorporated by reference in the Industry I-Net, Inc. Services Agreement ("Long Distance Services Agreement"). The Long Distance Services Agreement and the Rates, Terms and Conditions together comprise the rates, terms and conditions applicable to provision of Interstate Long Distance Service and International Long Distance Services by the Company. A copy of the Long Distance Service Agreement is attached at the beginning of this Rates, Terms and Conditions Document. In the event there is a conflict between terms and conditions in the Long Distance Services Agreement and terms and conditions in the Rates, Terms and Conditions, the terms and conditions in the Long Distance Services Agreement shall apply.
- (c) The Company may change the Long Distance Services Agreement, including the incorporated Rates, Terms and Conditions, from time to time. Changes in rates, terms and conditions are effective no sooner than fifteen (15) days after the Company posts the modifications to the Long Distance Services Agreement or Rates, Terms and Conditions on its web site. The Company will also notify Customers of increases by bill message, bill insert or other reasonable commercial method at least fifteen (15) days prior to the effective date for the increases. Advance notice does not apply to increases in taxes and other charges described in Section 2.5(c) of the Rates, Terms and Conditions. The Company may decrease rates and charges without providing advance notice. Use of the company's services after the fifteen (15) day notice period shall be construed as Customer's consent to the changed rates, terms and conditions of this agreement.
- (d) The provision of such Service by the Company as set forth in these Rates, Terms and Conditions does not constitute a joint undertaking with the Customer for the furnishing of any Service.
- (e) The Rates, Terms and Conditions contained herein are not applicable to Intrastate Long Distance Service. The Company provides Intrastate Long Distance Service under tariff filed with the Texas Public Utility Commission. Notwithstanding the inapplicability of the Rates, Terms and Conditions to Intrastate Long Distance Service, the rates for certain Intrastate Long Distance Services tariffed in Texas may or may not be the same as rates for the corresponding Interstate Long Distance Service under the Rates, Terms and Conditions. The tariff may be viewed at the Company's offices.

LONG DISTANCE SERVICES

**1. General (Cont'd)**

1.2 Definitions

Certain terms used throughout these Rates, Terms and Conditions are defined as follows:

Access Code

A sequence of numbers that, when dialed, connect the caller to the Provider associated with that sequence.

Application for Service

A standard order form which includes all pertinent billing, technical, and other descriptive information which will enable the Company to provide the Service as required.

Company

Industry I-Net, Inc. unless the context indicates otherwise.

Customer

Any individual, partnership, association, trust, corporation, cooperative or governmental agency or other entity which utilizes the Services provided by the Company. A Customer, as set forth herein, is responsible for the payment of charges and for compliance with all applicable terms of the Company's Rates, Terms and Conditions.

Customer Dialed Calling Card Call

A Calling Card Call which is dialed by the Customer and may or may not require intervention by an attended operator position to complete.

Customer Provided Equipment

Terminal Equipment or facilities provided by persons other than the Company and connected to the Company's Services and/or facilities.

## LONG DISTANCE SERVICES

**1. General (Cont'd)**1.2 Definitions (Cont'd)Domestic

Domestic points include all fifty (50) states and all U.S. territories and possessions as defined in the Communications Act of 1934, and as amended by the Telecommunications Act of 1996, and as further defined by the Federal Communications Commission in their orders.

Equal Access

Has the meaning given that term in Appendix B of the Modification of Final Judgment entered August 24, 1982, in United States v. Western Electric, Civil Action No. 82-0192 (United States District Court, District of Columbia), as amended by the Court in its orders issued prior to October 17, 1990.

FCC

The Federal Communications Commission.

International Long Distance Service

International Long Distance Service is a Long Distance Service involving a telephone call originating in one country and terminating in another country.

Interstate Long Distance Service

Interstate Long Distance Service is a Long Distance Service involving a telephone call originating in one state and terminating in another state (also referred to as a "state-to-state" call). The term "state" for purposes of Interstate Long Distance Service includes all Domestic points including all fifty (50) states and U.S. territories and possessions.

Intrastate Long Distance Service

Intrastate Long Distance Service is a Long Distance Service involving a telephone call originating and terminating in the same state (also referred to as a "in-state" call). Intrastate Long Distance Service includes intrastate operator service if offered by the Company as provided under the applicable tariff.

Local Exchange Carrier (LEC)

A telephone company which furnishes local exchange services.

LONG DISTANCE SERVICES

**1. General (Cont'd)**

1.2 Definitions (Cont'd)

Long Distance Service (LDS)

The term "Long Distance Service" denotes the furnishing of station-to-station direct dial interstate and international switched network services to the Customer for the completion of long distance voice and dial up low speed data transmissions over voice grade channel from the Company's Points of Presence to domestic points and international points and Calling Card Services made with the use of a Company issued Calling Card.

Rates, Terms and Conditions

Rates, Terms and Conditions refers to this document as a whole comprising the rates, terms and conditions applicable to the provision of Services to Customers by the Company.

Service

The offerings of the Company comprising Interstate Long Distance Service and International Long Distance Service.

Telecommunications

The transmission of voice communications or, subject to the transmission capabilities of the service, the transmission of data, facsimile, signalling, metering, or any other form of intelligence.

## LONG DISTANCE SERVICES

**2. Terms and Conditions – Interstate and International Long Distance Services**2.1 Undertaking of the Company(a) Scope

The Company is a carrier providing Interstate Long Distance Service and International Long Distance Service to Customers for their direct transmission of voice, data and other types of telecommunications within the United States, between points in the United States and international points, as described in these Rates, Terms and Conditions.

(b) Limitations

- (i) The services provided pursuant to these Rates, Terms and Conditions are offered subject to the availability of facilities and the other provisions of these Rates, Terms and Conditions.
- (ii) The Company does not undertake to transmit communications or messages, but rather furnishes facilities, Service and equipment for such transmissions by the Customer.
- (iii) The Company retains the right to deny Service to any Customer which fails to comply with the rules and regulations of these Rates, Terms and Conditions, or other applicable rules, regulations or laws.

2.2 Obligations of the Customer

- (a) All Customers assume general responsibilities in connection with the provision and use of the Company's Service. General responsibilities are described in this section. When facilities, equipment, and/or communication systems provided by others are connected to the Company's facilities, the Customer assumes the additional responsibilities as set forth in Section 2.2, herein.
- (b) The Customer is responsible for the payment of all charges for any and all Services or facilities provided by the Company to the Customer.
- (c) Subject to availability, the Customer may use specific codes to identify the users groups on its account and to allocate the cost of its service accordingly. The numerical composition of such codes shall be set forth by the Company to assure compatibility with the Company's accounting and automation systems and to avoid duplication of such specific codes.
- (d) The Company reserves the right to discontinue the use of any code provided to the Customer and to substitute another code for such Customer's use.
- (e) The Customer shall indemnify and save harmless the Company from and against all loss, liability, damage and expense, including reasonable counsel fees, due to claims for libel, slander, or infringement of copyright or trademark in connection with any material transmitted by the Customer using the Company's Services; and any other claim resulting from any act or omission of the Customer to the use of the Company's facilities.

## LONG DISTANCE SERVICES

**2. Terms and Conditions – Interstate and International Long Distance Services (Cont'd)****2.2 Obligations of the Customer (Cont'd)**

- (f) Nothing contained herein, or in any other provision of these Rates, Terms and Conditions, or in any marketing materials issued by the Company shall give any Customer or person any ownership interest or proprietary right in any particular code issued by Company; provided, however, that a Customer that continues to subscribe to Company's Services will be provided a replacement code in the event such Customer's initial code is canceled.
- (g) The Customer shall reimburse the Company for damages to the Company's facilities caused by any negligence or willful act or acts on the part of the Customer.
- (h) The Customer shall pay and hold the Company harmless from the payment of all charges for service ordered by the Customer from the Local Exchange Carriers or other entities for long distance services and/or facilities connecting the Customer and the Company.
- (i) In the event a suit is brought by the Company, or an attorney is retained by the Company to collect any bill or enforce the terms of these Rates, Terms and Conditions against a Customer, that Customer shall be responsible for payment of all reasonable attorney's fees, court costs, costs of investigation and any and all other related costs and expenses incurred by the Company in connection therewith.
- (j) The Customer understands that the Services are furnished subject to the condition that there will be no abuse, fraudulent and/or illegal use thereof. Such activity includes, but is not limited to:
  - (i) Using the Service for any purpose which is in violation of any law.
  - (ii) Obtaining or attempting to obtain Services through any scheme, false representation and/or use of any fraudulent means or devices whatsoever with the intent to avoid payment, in whole or in part, of charges for Services, or assisting any other person or firm in such regard.
  - (iii) Attempting to, or actually obtaining, accessing, altering, or interfering with the communications and/or information by rearranging, tampering with or making any connection with any facilities of the Company or assisting any other person or firm in such regard.
  - (iv) Using the Services in a manner that interferes unreasonably with the use of Service by one or more other Customers.
  - (v) Using the Service to convey information deemed to be obscene, salacious, or prurient, to impersonate another person with fraudulent or malicious intent, to call another person or persons so frequently, at such times, or in such a manner as to annoy, abuse, or harass, or to convey information of a nature or in a manner that renders such conveyance unlawful.

## LONG DISTANCE SERVICES

**2. Terms and Conditions – Interstate and International Long Distance Services (Cont'd)**2.2 Obligations of the Customer (Cont'd)

- (k) The Customer, not the Company, shall be responsible for compliance with FCC Rules, 47 C.F.R. Part 68, and for all maintenance of such equipment and/or facilities.

2.3 Liabilities of the Company

Except as stated in this Section 2.3, the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights or privileges contemplated in the Rates, Terms and Conditions.

- (a) The liability of the Company for damages resulting in whole or in part from or arising in connection with the furnishing of Service under the Rates, Terms and Conditions including, but not limited to, mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations shall not exceed an amount equal to the charges under the Rates, Terms and Conditions applicable to the specific call (or portion thereof) that was affected. No other liability shall attach to the Company.
- (b) The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to: (1) acts of God, fires, flood or other catastrophes; (2) any law, order, regulation, directive, action or request of the United States Government, or any other government, including state and local governments having jurisdiction over the Company, or of any department, agency, bureau, corporation or other instrumentality of any one or more of said governments, or of any civil or military authority; or (3) national emergencies, insurrections, riots, wars or other labor difficulties.
- (c) The Company shall not be liable for any act or omission of any other entity furnishing facilities, equipment, or services used by a Customer, with the Company's Services. In addition, the Company shall not be liable for any damages or losses due to the failure or negligence of any customer or due to the failure of customer provided equipment, facilities or services.

2.4 Service Orders

The Customer must place an Application for Service with the Company to initiate, cancel or change the Services provided pursuant to these Rates, Terms and Conditions. Applications for Services may be either in writing or orally and provide, at a minimum, the following information:

- (a) Customer's name(s), telephone number(s) and address(es). In the case of a corporation or partnership, a designated officer or agent shall be named as the contact person for such corporation or partnership.
- (b) Name(s), address(es) and telephone number(s) of person(s) to whom notices from the Company to the Customer shall be addressed, if different from (a) above.

## LONG DISTANCE SERVICES

**2. Terms and Conditions – Interstate and International Long Distance Services (Cont'd)**2.5 Charges and Payments for Service or Facilities(a) Deposits

- (i) The Company may, in order to safeguard its interests, require a Customer to make a suitable deposit or provide a surety bond or letter of credit in the amount of the required deposit as a guarantee of the payment of charges. The Company shall have the right to require the Customer to make a deposit prior to or at any time after provision of any Service, not to exceed three (3) months estimated charges. The Company may increase the amount of the deposit to reflect increases to the Customer's annual bill. The Customer will receive a receipt for the deposit.
- (ii) Any deposit as referred to in this Section shall be held by the Company to secure the payment of the Customer's bill. At the Company's option, the deposit may be refunded or credited to the Customer at any time prior to the termination of Service.
- (iii) Interest will be paid by the Company on all sums held on deposit at the rate established statutorily for customer deposits. The interest will be accrued for the period during which the deposit is held by the Company.

(b) Description of Payment and Billing Periods

- (i) Service is provided and billed on a monthly basis. Service continues to be provided and billed on a monthly basis until canceled by the Customer through notice given to the Company.
- (ii) When billing functions are performed by a Local Exchange Carrier (LEC), commercial credit card company or others, the payment conditions and requirements of such LEC, commercial credit card company or other entity performing billing functions apply, including any applicable interest.
- (iii) In the event a Local Exchange Carrier, commercial credit card company or others ceases efforts to collect any amounts associated with the Company's charges, the Company may bill the Customer or the called party directly, and may utilize its own billing and collection procedures which shall be consistent with all applicable statutes, rules and regulations.

## LONG DISTANCE SERVICES

**2. Terms and Conditions – Interstate and International Long Distance Services (Cont'd)**2.5 Charges and Payments for Service or Facilities (Cont'd)(c) Taxes and Other Charges

In addition to payment for Services, Customer must pay all taxes, fees, surcharges and other charges that the Company bills Customer related to Services. Taxes and surcharges will be in the amounts that federal, state and local authorities require the Company to bill Customer. The company will not provide advance notice of changes to taxes and surcharges, except as required by applicable law. All such taxes and charges shall be separately shown and charged on bills rendered by Company or its billing agent.

(d) Payment and Late Payment Charge

- (i) Payment will be due as specified on the Customer bill. Commencing after that due date, a late charge of up to the highest interest rate allowable by law may be applied to all amounts past due.
- (ii) Collection procedures and the requirement for a deposit are unaffected by the application of a late payment charge. The late payment charge does not apply to unpaid balances associated with disputed amounts. Undisputed amounts on the same bill are subject to the late payment charge if unpaid and carried forward to the next bill.
- (iii) Service may be denied or discontinued at the Company's discretion for nonpayment of amounts due the Company past the due date as specified in 2.5(d)(i). Restoration of Service will be subject to all applicable installation charges.

(e) Insufficient Fund Charge

- (i) A charge as identified in Sections 4 and 5 will be applied in each instance where a payment is rejected due to insufficient funds or otherwise not honored by a financial institution. T  
T  
T
- (ii) Upon the second instance where a customer's payment is rejected due to insufficient funds, the Company will require all future payments to be made either by money order, cashier's check or cash. T

## LONG DISTANCE SERVICES

**2. Terms and Conditions – Interstate and International Long Distance Services (Cont'd)**2.5 Charges and Payments for Service or Facilities (Cont'd)(f) Credit Allowance/Service Interruptions

- (i) Credit for failure of Service will be allowed only when failure is caused by or occurs in the Company's facilities or equipment owned, provided and billed for by the Company. A credit allowance is not applicable for any period during which Customer cannot utilize the Service, except for such period where the Service is interrupted by the Company for access to its facilities for the purposes of investigating and clearing troubles and/or maintenance.
- (ii) Credit allowances for failure of Service or equipment starts when the Customer notifies the Company of the failure and ceases when the operation has been restored and an attempt has been made to notify the Customer by the Company.
- (iii) The Customer shall notify the Company of failures of Service or equipment and make reasonable attempts to ascertain that the failure is not caused by Customer Provided Equipment or Customer provided facilities, any act, or omission of the Customer, or in wiring or equipment connected to the Customer's terminal.
- (iv) Only those portions of the Service or equipment operation disabled will be credited.
- (v) Any credit provided to the Customer under these Rates, Terms and Conditions shall be determined in accordance with the provisions of Section 2.5(g).

(g) Service Interruption Measurement

- (i) In the event of an interruption of Service that exceeds the minimum requirements set forth in this paragraph, the Company shall make a credit allowance at the Customer's request for a pro rata adjustment of all Service charges billed by the Company for Services rendered inoperative by the interruption. The credit allowance will be computed by dividing the duration of the service interruption measured in twenty-four (24) hour days, from the time the interruption is reported to the Company, by a standard thirty (30) day month, and then multiplying the result by the Company's fixed monthly charges for each interrupted Service.
- (ii) A credit allowance will not be given for interruptions caused by the negligence or willful act of the Customer, or interruptions caused by failure of equipment or service not provided by the Company.

## LONG DISTANCE SERVICES

**2. Terms and Conditions – Interstate and International Long Distance Services (Cont'd)****2.6 Termination or Denial of Service by the Company**

In the event of nonpayment of any bill rendered or any required deposit, the Company may, after written notice, suspend Customer's Service. The Company may, immediately and without notice to Customer, and without liability of any nature, temporarily deny, terminate, or suspend Customer's Service:

- (a) in the event Customer or Customer's agent: (i) willfully damages the Company's equipment, interferes with use of the Company's Service by other customers of the Company; (ii) unreasonably places capacity demands upon the Company's facilities or Service; or (iii) violates any statute or provision of law, or any rule or regulation of any state or federal regulatory agency relating to communications; or (iv) otherwise fails to comply with the provisions of the Rates, Terms and Conditions or applicable law; or
- (b) in the event Customer becomes insolvent, is the subject of any formal legal proceeding commenced in a court involving a voluntary or involuntary petition or proceeding in bankruptcy, seeks protection or relief from creditors in a formal legal proceeding after a filing for such relief, or executes an assignment for the benefit of creditors; or
- (c) in the event that the Company determines that any Service is being used fraudulently or illegally, whether by Customer or Customer's agent.

**2.7 Billing Disputes**

If Customer believes Customer has been billed by the Company in error, Customer must contact the Company within sixty (60) days of the date of the bill which contains the disputed charge. Refunds or adjustments will not be issued for any charge that is more than sixty (60) days old at the time Customer notifies the Company. Customer may withhold from payment to the Company the disputed portion of any bill pending resolution of the dispute. Customer must pay all non-disputed charges on the bill by the due date indicated on the bill. The Company will notify Customer of the results of its inquiry, and either adjust the billing, issue a credit, or notify Customer that all or a portion of the disputed amount is still owed. Customer will be required to pay such amount within fifteen, (15) days thereafter, and if Customer fails to pay this amount within the time required, Customer's account will be deemed past due and unpaid and Customer's Service subject to termination under Section 2.6 above. Any payments Customer withholds pending resolution of the dispute may be subject to a late payment charge at the highest interest rate allowable by law applied to past due amounts.

## LONG DISTANCE SERVICES

**3. General Classification and Description of the Company's Service – Interstate and International Long Distance Services****3.1 Service Points**

- (a) The Company provides originating Service from domestic points in the United States to domestic points identified in these Rates, Terms and Conditions.
- (b) The Company provides originating Service from domestic points in the United States to international points identified in these Rates, Terms and Conditions.

**3.2 Measurements/Availability of Service**

The Service is available at the rates listed in Sections 4 and 5, through subscription to any of the long distance service offerings available from the Company. Each of these offerings utilizes the same rate schedules but have different rates and billing increments for each of the rate schedules.

**3.3 Timing of Calls**

- (a) Unless otherwise indicated in these Rates, Terms and Conditions, calls are timed by the Company in sixty (60) second increments. "Ring-busy" and "ring-no-answer" calls will not knowingly be charged to the Customer and if charged in error, will be credited by the Company to the Customer. Timing begins at the "starting event" and ends at the "terminating event," unless otherwise specified. Time between the starting event and the terminating event is the call duration. The minimum call duration for a completed domestic call is sixty (60) seconds, unless otherwise specified. The minimum call duration for a completed international call is sixty (60) seconds, unless otherwise specified.
- (b) The starting event occurs when the Company's terminal experiences an "Incoming Signaling Protocol Successful," i.e., upon the seizure of an inbound trunk.
- (c) The terminating event occurs when the Company's terminal receives a signal from the Local Exchange Carrier that either the calling party or the called party has hung up.
- (d) There shall be no charge for unanswered calls. Upon receiving reasonable and adequate notice of billing from a Customer for any such call, the Company may issue a credit in an amount equal to the charge for the call. Calls which are in progress longer than one minute will be presumed to have been answered.
- (e) The time of day at the calling party rate center determines what Time-of-Day rate period applies.

## LONG DISTANCE SERVICES

**3. General Classification and Description of the Company's Service – Interstate and International Long Distance Services (Cont'd)**3.4 Method of Applying Rates

## (a) Interstate Long Distance Services

- (i) Calls that begin in one rate period and terminate in another will be billed at the rate applicable for each respective minute of the call.
- (ii) Unless specified otherwise in these Rates, Terms and Conditions, the duration of each call for billing purposes will be rounded off to the nearest higher sixty (60) second increment.

## (b) International Long Distance Services

- (i) Calls that begin in one rate period and terminate in another will be billed for the entire call duration at the rate applicable at the commencement of the call.
- (ii) Unless specified otherwise in these Rates, Terms and Conditions, the duration of each call for billing purposes will be rounded off to the nearest higher sixty (60) second increment.

3.5 Promotional Discounts

The Company may from time to time offer promotional discounts. Such discounts will be for a specified period of time, will not exceed published rates, and will be offered to all qualifying Customers.

## LONG DISTANCE SERVICES

**3. General Classification and Description of the Company's Service – Interstate and International Long Distance Services (Cont'd)****3.6 Dialed Long Distance Services**

- (a) Dialed Long Distance Services are measured use, full time services utilizing interstate and international communications facilities. When appropriate access arrangements exist, these switched services are available on a presubscription (Equal Access) basis. Otherwise, where available, the Services require that a Customer access the Company's network via an alternative access code arrangement such as "950-XXXX" plus the Customer's security code, a toll-free "1-800" telephone number with the Customer's security code, or via "1-0-1-XXXX" code with Customer security code.
- (b) Depending upon the service option chosen by the Customer, the charges for the use of such interstate or international communications facilities may be based upon the time of day, the total minutes of use and/or the distance of each call.
- (c) All Customers shall be charged the rates identified in Sections 4 and 5.
- (d) Domestic points include all fifty (50) states and all U.S. territories and possessions as defined in the Communications Act of 1934, and as amended by the Telecommunications Act of 1996, and as further defined by the Federal Communications Commission in their orders.

**3.7 Directory Assistance Service**

The Company will provide Directory Assistance Service for the convenience of its customers in obtaining telephone numbers in the domestic United States. All Customers shall be charged the rates identified in Section 4.

LONG DISTANCE SERVICES

**4. Rates for Interstate Long Distance Service**

4.1 Insufficient Fund Charge

T

A charge will be applied in each instance where a payment is rejected due to insufficient funds or otherwise not honored by a bank or depository. If the rejected payment was for a combined interstate and international balance, only a single Insufficient Fund Charge will apply.

T

T

T

Per Occasion \$20.00

4.2 Direct Dial Services

Rates for Direct Dialed Interstate Message Telecommunications Services for residential and business customers for all domestic points. The rates are as follows:

	<u>Monthly Charge</u>	<u>Rate Per Minute</u>
(a) <u>Residential</u>		
Plan A	No Charge	\$0.12
Talk Cents Plan	\$4.95 (Primary Line)	\$0.07
	\$2.95 (Additional Lines)	\$0.07
(b) <u>Business</u>		
Plan A	No Charge	\$0.15
Talk Cents Plan	\$9.95 (Primary Line)	\$0.07
	\$4.95 (Additional Lines)	\$0.07

## LONG DISTANCE SERVICES

**4. Rates for Interstate Long Distance Service (Cont'd)**4.3 Directory Assistance

Rates for directory assistance service for residential and business customers for all domestic points. The rates are as follows:

	<u>Rate</u>
Per Request	\$0.75

4.4 Universal Service Fund (USF) Fee

Each customer will be charged a monthly Universal Service Fund Fee. This service charge will apply to all interstate long distance services that are provided for within these Rates, Terms and Conditions. The Universal Service Fund Fee will be calculated by multiplying the total monthly Interstate Long Distance Service charges by the percentage rate established by the Federal Communications Commission.

LONG DISTANCE SERVICES

**5. Rates for International Long Distance Service**

5.1 Insufficient Fund Charge

T

A charge will be applied in each instance where a payment is rejected due to insufficient funds or otherwise not honored by a bank or depository. If the rejected payment was for a combined interstate and international balance, only a single Insufficient Fund Charge will apply.

T

T

T

Per Occasion

\$20.00

## LONG DISTANCE SERVICES

**5. Rates for International Long Distance Service (Cont'd)**5.2 Rate Schedules(a) Standard International Service

Rates for Direct Dialed International Message Telecommunications Service

1+ Residential and Business International Rates For Calls Made From The Domestic U.S.

Rates are Monday – Sunday, All Day

COUNTRY	RATE PER MINUTE
Afghanistan	\$0.89
Albania	\$0.36
Algeria	\$0.37
American Samoa	\$0.24
Andorra	\$0.42
Angola	\$0.54
Anguilla	\$0.37
Antarctica	\$0.98
Antigua	\$0.43
Argentina	\$0.28
Armenia	\$0.58
Aruba	\$0.34
Ascension Island	\$1.41
Australia	\$0.45
Austria	\$0.52
Azerbaijan	\$0.45
Bahamas	\$0.23
Bahrain	\$0.51
Bangladesh	\$0.43
Barbados	\$0.43
Belarus	\$0.53
Belgium	\$0.12
Belize	\$0.47
Benin	\$0.38
Bermuda	\$0.25
Bhutan	\$0.42

AUGUST 1, 2004

## LONG DISTANCE SERVICES

**5. Rates for International Long Distance Service (Cont'd)**5.2 Rate Schedules (Cont'd)(b) Standard International Service (Cont'd)

COUNTRY	RATE PER MINUTE
Bolivia	\$0.38
Bosnia & Herzegovina	\$0.59
Botswana	\$0.31
Brazil	\$0.42
British Virgin Islands	\$0.27
Brunei	\$0.20
Bulgaria	\$0.48
Burkina Faso	\$0.41
Burundi	\$0.32
Cambodia	\$0.63
Cameroon	\$0.58
Canada	\$0.10
Cape Verde Islands	\$0.69
Cayman Islands	\$0.31
Central African Republic	\$0.42
Chad	\$0.66
Chile	\$0.41
China	\$0.12
Colombia	\$0.24
Comoros	\$0.61
Congo	\$0.38
Cook Islands	\$1.58
Costa Rica	\$0.22
Cote D'Ivoire	\$0.49
Croatia	\$0.48
Cuba	\$1.76
Cyprus	\$0.26
Czech Republic	\$0.46
Denmark	\$0.49
Diego Garcia	\$2.08
Djibouti	\$0.70
Dominica	\$0.40
Dominican Republic	\$0.32

## LONG DISTANCE SERVICES

**5. Rates for International Long Distance Service (Cont'd)**5.2 Rate Schedules (Cont'd)(b) Standard International Service (Cont'd)

COUNTRY	RATE PER MINUTE
East Timor	\$0.79
Ecuador	\$0.41
Egypt	\$0.43
El Salvador	\$0.32
Equatorial Guinea	\$0.60
Eritrea	\$0.79
Estonia	\$0.55
Ethiopia	\$0.87
Falkland Islands	\$1.13
Faroe Islands	\$0.36
Fiji Islands	\$0.66
Finland	\$0.40
France	\$0.44
French Antilles (Cell)	\$0.34
French Guiana	\$0.41
French Polynesia	\$0.58
Gabon Republic	\$0.40
Gambia	\$0.53
Georgia	\$0.36
Germany	\$0.54
Ghana	\$0.35
Gibraltar	\$0.40
Greece	\$0.33
Greenland	\$1.06
Grenada	\$0.40
Guadeloupe	\$0.37
Guatemala	\$0.37
Guinea	\$0.35
Guinea - Bissau	\$1.55
Guyana	\$0.68
Haiti	\$0.61
Honduras	\$0.70
Hong Kong	\$0.11
Hungary	\$0.53
Iceland	\$0.54

AUGUST 1, 2004

## LONG DISTANCE SERVICES

**5. Rates for International Long Distance Service (Cont'd)**5.2 Rate Schedules (Cont'd)(b) Standard International Service (Cont'd)

COUNTRY	RATE PER MINUTE
India	\$0.42
Indonesia	\$0.37
INMARSAT A - Atlantic East	\$5.47
INMARSAT A - Atlantic West	\$6.18
INMARSAT A - Indian	\$8.92
INMARSAT A - Pacific	\$8.92
Iran	\$0.31
Iraq	\$0.93
Ireland	\$0.48
Iridium	\$3.16
Israel	\$0.25
Italy	\$0.51
Jamaica	\$0.29
Japan	\$0.38
Jordan	\$0.49
Kazakhstan	\$0.40
Kenya	\$0.68
Kiribati/Gilbert Is	\$1.36
Kuwait	\$0.28
Kyrgyzstan	\$0.35
Laos	\$0.37
Latvia	\$0.49
Lebanon	\$0.53
Lesotho	\$0.27
Liberia	\$0.41
Libya	\$0.35
Liechtenstein	\$0.17
Lithuania	\$0.42
Luxembourg	\$0.43
Macau	\$0.18
Macedonia	\$0.71
Madagascar	\$0.60
Malawi	\$0.22
Malaysia	\$0.16

AUGUST 1, 2004

## LONG DISTANCE SERVICES

**5. Rates for International Long Distance Service (Cont'd)**5.2 Rate Schedules (Cont'd)(b) Standard International Service (Cont'd)

COUNTRY	RATE PER MINUTE
Maldives Republic	\$0.73
Mali Republic	\$0.54
Malta Republic	\$0.44
Marshall Islands	\$0.91
Mauritania	\$0.64
Mauritius	\$0.55
Mayotte Is	\$0.59
Mexico	\$0.25
Micronesia	\$0.87
Moldova	\$0.31
Monaco	\$0.49
Mongolia	\$0.28
Montserrat	\$0.52
Morocco	\$0.66
Mozambique	\$0.35
Myanmar	\$0.77
Namibia	\$0.39
Nauru	\$1.77
Nepal	\$0.78
Netherlands	\$0.65
Netherlands Antilles	\$0.45
New Caledonia	\$0.73
New Zealand	\$0.59
Nicaragua	\$0.44
Niger Republic	\$0.38
Nigeria	\$0.56
Niue Island	\$1.63
North Korea	\$1.24
Norway	\$0.44
Oman	\$0.61
Pakistan	\$0.60
Palau - Republic of	\$0.86
Palestine Authority	\$0.15
Panama	\$0.43
Papua New Guinea	\$0.64
Paraguay	\$0.42
Peru	\$0.57
Philippines	\$0.51

## LONG DISTANCE SERVICES

**5. Rates for International Long Distance Service (Cont'd)**5.2 Rate Schedules (Cont'd)(b) Standard International Service (Cont'd)

COUNTRY	RATE PER MINUTE
Poland	\$0.56
Portugal	\$0.55
Qatar	\$0.76
Reunion Island	\$0.61
Romania	\$0.57
Russia	\$0.18
Rwanda	\$0.39
San Marino	\$0.16
Sao Tome	\$2.58
Saudi Arabia	\$0.61
Senegal Republic	\$0.53
Seychelles Islands	\$0.50
Sierra Leone	\$0.69
Singapore	\$0.11
Slovak Republic - Slovakia	\$0.50
Slovenia	\$0.55
Solomon Islands	\$1.86
Somalia	\$1.48
South Africa	\$0.52
South Korea	\$0.20
Spain	\$0.56
Sri Lanka	\$0.44
St. Helena	\$1.38
St. Kitts & Nevis	\$0.46
St. Lucia	\$0.45
St. Pierre/Miquelon	\$0.46
St. Vincent/Grenadines	\$0.48
Sudan	\$0.59
Suriname	\$0.62
Swaziland	\$0.35
Sweden	\$0.50
Switzerland	\$0.66
Syrian Arab Republic	\$0.81
Taiwan	\$0.25
Tajikistan	\$0.46
Tanzania	\$0.60
Thailand	\$0.29

AUGUST 1, 2004

## LONG DISTANCE SERVICES

**5. Rates for International Long Distance Service (Cont'd)**5.2 Rate Schedules (Cont'd)(b) Standard International Service (Cont'd)

COUNTRY	RATE PER MINUTE
Togo	\$0.50
Tokelau	\$1.12
Tonga Islands	\$0.58
Trinidad & Tobago	\$0.33
Tunisia	\$0.57
Turkey	\$0.48
Turkmenistan	\$0.43
Turks & Caicos	\$0.42
Tuvalu	\$1.57
Uganda	\$0.33
Ukraine	\$0.29
United Arab Emirates	\$0.59
United Kingdom	\$0.46
Uruguay	\$0.39
Uzbekistan	\$0.31
Vanuatu - Republic of	\$1.54
Vatican City	\$0.14
Venezuela	\$0.46
Vietnam	\$0.80
Wallis & Futuna Islands	\$1.48
Western Samoa	\$0.70
Yemen Arab Republic	\$0.44
Yugoslavia/Serbia	\$0.57
Zaire - Republic of	\$0.74
Zambia	\$0.27
Zimbabwe	\$0.30

LONG DISTANCE SERVICES

**5. Rates for International Long Distance Service (Cont'd)**

5.3 Universal Service Fund (USF) Fee

Each customer will be charged a monthly Universal Service Fund Fee. This service charge will apply to all international long distance services that are provided for within these Rates, Terms and Conditions. The Universal Service Fund Fee will be calculated by multiplying the total monthly International Long Distance Service charges by the percentage rate established by the Federal Communications Commission.