

MATRIX TELECOM, INC.
Long Distance Services Terms & Conditions

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the Customer's location to a Matrix Telecom, Inc. network switching center.

Authorization Code - A numerical code, one or more of which are available to a Customer to enable him/her to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the Customer for billing purposes.

Commission – Federal Communications Commission (FCC) or any applicable state utility commission.

Company, Carrier or Matrix - Matrix Telecom, Inc.

Customer - The person, firm, corporation or other entity which orders service and is responsible for payment of charges due and compliance with the Company's tariff regulations.

Day - From 8:00 AM up to but not including 5:00 PM local time Monday through Friday.

Evening - From 5:00 PM up to but not including 11:00 PM local time Sunday through Friday.

Night/Weekend - From 11:00 PM up to but not including 8:00 AM Sunday through Friday, and 8:00 AM Saturday up to but not including 5:00 PM Sunday.

InterLATA Toll Call - Any call terminating beyond the LATA of the originating caller.

IntraLATA Toll Call - Calls terminating within the LATA of the originating caller.

Telecommunications – The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

Underlying Carrier – The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of Matrix Telecom, Inc.

This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by Matrix for telecommunications between points within various states. Resale services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company's services are provided on a statewide basis and are not intended to be limited geographically. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Customers interested in the company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement.

2.1.1 The services provided by Matrix are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but may involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers subject to the jurisdiction of this Commission.

2.1.2 The rates and regulations contained in this tariff apply only to the resale services furnished by Matrix and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of Matrix.

2.1.3 The Company reserves the right to limit the length of communications, to discontinue furnishing services, or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or repricing of the Underlying Carrier's tariffed offerings; or when the use of service becomes or is in violation of the law or a provision of this tariff.

2.1.4 The Company's services and facilities are provided on a monthly basis unless ordered on a longer term basis, and are available twenty-four hours per day, seven days per week.

2.2 Use and Limitations of Services

2.2.1 Matrix's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities

utilized in the provision of services, subject to any limitations set forth in this Section 2.2.

- 2.2.2 The use of Matrix's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.
- 2.2.3 The use of Matrix's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 Matrix does not transmit messages, but the services may be used for that purpose.
- 2.2.5 Matrix's services may be denied for nonpayment of charges or for other violations of this tariff subject to Section 2.5 herein.
- 2.2.6 Customers shall not use the service provided under this tariff for any unlawful purpose.
- 2.2.7 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.
- 2.2.8 All facilities provided under this tariff are directly controlled by Matrix Telecom, Inc. and the Customer may not transfer or assign the use of the service or facilities, except with the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- 2.2.9 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transfers.
- 2.2.10 Matrix's provision of the services, and the Customers' use thereof, is subject to the additional Terms and Conditions as enumerated and modified from time-to-time at www.matrixvalue.com/legal.asp.
- 2.2.11 The services may be subject to additional telecommunications taxes, surcharges and regulatory fees, including but not limited to the following:

(Federal) Subscriber Line Charge – FCC-imposed fee instituted after the break-up of AT&T in 1984 to cover the costs of the local phone network. This charge may appear as "FCC Charge for Network Access," "Federal Line Cost Charge," "Interstate Access Charge," "Federal Access Charge," "Interstate Single Line Charge," "Customer Line Charge" or "FCC-Approved Customer Line Charge." The FCC caps the maximum price that a company may charge for this.

(State) Subscriber Line Charge – This charge is mandated by some states’ public service or utility commissions to compensate the local phone company for part of the cost of providing local telephone lines associated with state services, i.e., intrastate long distance and local exchange services.

Access Recovery Fee (ARF) – Monthly flat fee assessed by the carrier to recover expenses incurred with regard to national number portability and federal regulatory fees.

Business and Occupation Tax - This is a tax that is normally based upon having a business, occupation, or residence within the taxing authority’s geopolitical boundaries.

CA High Cost Fund A - CA state fund that provides subsidies to specific small independent telephone companies. Said fund is used to minimize any rate disparity of basic telephone service between rural and metropolitan areas.

CA Teleconnect Fund - This fund supports CA providers that offer discounts to schools, libraries, health care and community-based organizations with telecommunications services that qualify.

Carrier Gross Receipts - This is a tax based upon gross receipts of the telecommunications carrier. Each portion of the tax is passed

Communications Services Tax - A tax on end users who consume communication services.

District Tax - District taxes are taxes associated with a particular district. Typically this is a school district; however, it could be a redevelopment, sports, entertainment or some other type of district.

District Tax – Residential - Similar to District Tax above, but only applied to a residential customer type.

District Tax - Web Hosting - Similar to District Tax above, but only applied to web hosting services.

E911 Tax – Business - Similar to E911 Tax above, but only applied to a business customer type.

E911 Tax - PBX/Trunk line - Similar to E911 Tax above, but only applied on a local PBX or local trunk line.

E911 Tax – Residential - Similar to E911 Tax above, but only applied to a residential customer type.

E911 Tax - This charge is imposed by local governments to help pay for emergency services such as fire and rescue.

E911 Tax – Wireless - Similar to E911 Tax above, but only applied upon wireless.

Expanded Local Calling Service Fee (Texas) - Customers in many rural exchanges are not able to call schools, state agencies, hospitals, and businesses in their communities of interest without paying long-distance charges. Subject to certain restrictions, state law allows such customers to petition the PUC to obtain expanded local calling service (ELCS). ELCS expands rural customers' local calling scopes by allowing them to call additional exchanges by paying a flat fee, rather than incur long-distance charges assessed on a per-minute basis. If the cost of providing ELCS exceeds the revenues received from the service, state law allows the local telephone company to surcharge all of its customers in Texas to make up the difference. For the first five exchanges, the maximum ELCS fee is \$3.50 per month for a residential line and \$7.00 per month for a business line. This fee may increase by \$1.50 for each additional exchange over

five. The ELCS surcharge varies among companies. Southwestern Bell charges 16 cents per month, while GTE bills 73 cents. The PUC must approve all ELCS fees and surcharges.

Federal Excise Tax – Three percent (3%) tax applied to all invoiced interstate, intrastate, local toll, and international charges, not including certain taxes.

Federal Telecom Relay Service (TRS) - TRS is comprised of several services including traditional relay services providing “translation services” between a hearing-impaired or speech-impaired individual using a Text Telephone (“TTY”) and the spoken word of a hearing individual using a voice telephone. Other relay services such as Speech-to-Speech and Video Relay are also available. TRS is available any day at any time at no extra charge.

Federal TRS – Cellular - Similar to Federal Telecommunications Relay Service above, but only applied upon wireless services. Following “safe harbor” taxing and remittance standards for cellular providers set by the FCC, this tax type is assessed at a rate of fifteen percent (15%) of the current Federal TRS rate as established by the FCC.

Federal TRS – Paging - Similar to Federal Telecommunications Relay Service above, but only applied upon paging services. Following “safe harbor” taxing and remittance standards for paging service providers set by the FCC, this tax type is assessed at a rate of twelve percent (12%) of the current Federal TRS rate as established by the FCC.

Federal Universal Service Fund (Federal USF) – This rate is determined quarterly by the Federal Communications Commission and is applicable to all interstate and international charges.

Federal USF – Cellular - Similar to Federal USF - Combined High Cost and School below, but only applied upon wireless services. Following the “safe harbor” taxing and remittance standards for cellular providers set by the FCC, this tax type is assessed at a rate of fifteen percent (15%) of the current Federal USF rate as established by the FCC.

Federal USF - Combined High Cost and School - Federal Universal Service Fund charge imposed by FCC to fund schools, libraries, rural health care support mechanisms, lifeline, link-up, and the high cost fund. This charge is applied upon interstate and international telephone revenue and FCC Subscriber Line Fee charges.

Federal USF – Paging - Similar to Federal USF - Combined High Cost and School above, but only applied upon paging services. Following the “safe harbor” taxing and remittance standards for paging service providers set by the FCC, this tax type is assessed at a rate of twelve percent (12%) of the current Federal USF rate as established by the

Federal USF A – School - A Federal Universal Service fund imposed by the FCC to fund schools, libraries and rural health care support mechanisms. (See also Federal USF - Combined High Cost and School)

Franchise Tax - Tax imposed upon a telecommunications carrier for granting of a telecommunications franchise by the governing body. Many of these can and are passed on to the consumer.

Franchise Tax (Cable Television) - Tax imposed upon a cable television carrier for granting of a cable television franchise by the governing body.

Goods and Services Tax - National Canadian VAT on the consumption of goods and services.

Harmonized Sales Tax - Provincial sales tax applied in specific Canadian provinces. Rate is a combination of the provincial sales tax and the national GST.

Inside Wire Maintenance - Insurance-like coverage that pays for phone company workers to repair telephone wiring problems inside your home. Without the optional coverage, you’ll pay trip and labor charges for each phone jack repaired.

License Tax – Business - Similar to License Tax above, but only applied to a business customer type.

License Tax - Tax based upon the granting of a license to perform a service to the community. In many cases, this tax can be passed on to consumers.

Lifeline Support - Goes into a pool that provides subsidized phone service for low-income customers. People who meet the income guidelines can get their local service at half price.

Local Number Portability Charge (LNP) – The FCC allows local telephone companies to recover certain costs for providing "telephone number portability" to its customers. This charge provides residential and business telephone customers with the ability to retain, at the same location, their existing local telephone numbers when switching from one local telephone service provider to another. This is a fixed, monthly charge. Local telephone companies may continue to assess this charge on their customers' telephone bills for five years from the date the local telephone company first began itemizing the charge on the bill.

Municipal Right of Way – Business - Similar to Municipal Right of Way - Residential below, but only applied to business customers of local exchange services.

Municipal Right of Way - Private Line - Similar to Municipal Right of Way – Residential below, but only applied to private line customers (Residential and Business).

Municipal Right of Way – Residential - Tax imposed upon local exchange telephone services to cover the municipal cost in managing and maintaining municipal rights-of-way. Typically these charges are assessed through a per line fee. This tax type is specific to charges imposed upon residential customers of local exchange services.

National Contribution Regime (NCR) - National Canadian tax on telecom for the provisioning of universal service throughout Canada. This tax is similar to the Federal USF in the United States.

Network Equipment Charge Fee (NEC Fee) - This fee is assessed to recover the costs associated with interstate access charges, property taxes, and the expenses associated with

regulatory proceedings and compliance. This fee applies for each month in which you have any interstate or international charges on your bill.

NY Franchise 184 - NY state imposed franchise tax on local telephone carriers who are principally engaged in the conduct of local telephone business (i.e. 50% or more of the carrier's operating revenues are derived from local telephone business revenues.)

NY Franchise 184 – Usage - Similar to NY Franchise 184 above, but only applicable to separately charged intraLATA toll services. Said charge is still subject to the “principally engaged in the conduct of local telephone business” standard as described above in NY Franchise 184 description above.

NY MCTD 184a - New York Metropolitan Commuter Transportation District (NY MCTD) imposed surcharge based on the taxable local telephone services subject to the NY Franchise 184 tax above, and said services have occurred solely within the specific NY counties that comprise the NY MCTD.

NY MCTD 184a – Usage - Similar to NY MCTD 184a above, but only applicable to separately charged intraLATA toll services. Said charge is still subject to the “principally engaged in the conduct of local telephone business” standard as described above in NY Franchise 184 description.

NY MCTD 186c - New York Metropolitan Commuter Transportation District (NY MCTD) imposed surcharge based on the taxable telephone services subject to the NY 186e excise tax on telecommunications and said services have occurred solely within the specific NY counties that comprise the NY MCTD.

on to consumers based upon the amount of their phone bill.

Optional Telecommunications Infrastructure Maintenance Fee - Similar to Telecommunications Infrastructure Maintenance Fee below, but applied only in the state of IL and at the option of the carrier for municipalities in IL who do not impose a local TIMF charge.

Payphone Use Charge – Charges for calls that originate from any payphone in the United States or its territories and are carried over Matrix’s (or its underlying carriers’) network will include a \$0.75 charge. This charge will be in addition to applicable basic charges and surcharges.

Poison Control Surcharge (Texas) - The surcharge funds six regional poison control centers that are open 24-hours-a-day, 7-days-a-week, and toll-free referral and information services. The surcharge cannot exceed $\frac{3}{10}$ ^{ths} of 1% of monthly intrastate state long-distance charges. The Advisory Committee on State Emergency Communications and the Texas Department of Health, to distribute the collected funds as needed.

Presubscribed Interexchange Carrier Charge (PICC) - More frequently listed as carrier line charge: A fee on the long-distance portion of your phone bill. It covers charges that long-distance companies pay to the local phone network to begin and end long-distance calls. Different long -distance companies may charge different amounts and label the fee by various names.

Provincial Sales Tax (PST) - Sales tax applied in various Canadian provinces.

Public Utility Commission Fee (PUC Fee) - Public Utility Commission fees are used to fund the Public Utility Commission or Public Service Commission.

Quebec Sales Tax - Specific sales tax applied only in the province of Quebec, Canada.

Sales Tax – Business - Similar to Sales Tax above, but only applied to a business customer type.

Sales Tax – Data - Similar to Sales Tax above, but only applied upon data services.

Sales Tax – Interstate - Similar to Sales Tax above, but only applied on interstate telecom services.

Sales Tax - This is the sales tax that applies to telecommunications based upon the jurisdiction that imposes taxes upon the telecommunications service. Usually this is the sales tax based upon the community in which the individual lives; however, this is not always the case as the tax jurisdiction (situs) is determined based upon the laws of individual communities, and the laws vary regarding situs determination. In addition, many states, counties, and localities have special sales taxes that apply to telecommunications. Typically special telecommunication sales taxes override the normal state, county, and/or local sales tax.

Sales Tax - Web Hosting - Similar to Sales Tax above, but only applied on web hosting services.

Service Tax - This tax is used to fund a service such as the telecommunications relay service for the deaf.

Special Tax - Used to specify a tax that doesn't fit into a typical category.

State & Local Municipal Tax – This charge is imposed by state, local and municipal governments on goods and services. It may also appear as a "gross receipts" tax in some states.

State Deaf and Disabled Fund - This fund is used to provide access to telecommunications services for deaf and disabled individuals.

State High Cost Fund - State high cost funds are used to subsidize the cost of telecommunications users in remote locations.

State Poison Control Fund - Fund used to establish and support a statewide poison control center network.

State Sales Tax – Tax applied to intrastate calls. See individual state for rates.

State Universal Service Fund - The purpose of the fund depends upon the state; however, these are typically used for items such as funding schools or subsidizing the cost of telecommunications users in remote locations.

Statutory Gross Receipts - Tax based upon the gross receipts of one or more transaction and service type combinations.

Statutory Gross Receipts (Wireless) - Tax similar to Statutory Gross Receipts, based upon the gross receipts of one or more cellular-only transaction and service type combination(s).

Surcharge - Surcharge imposed by a taxing jurisdiction upon telecommunications services. Typically these are taxed by the Federal Excise Tax and may be taxed by other taxes as well.

Surcharge Simplification Fee (SSF) – A consolidation of surcharges designed to reduce administrative overhead. Subscribers with this charge should not be charged any federal universal service charges. In nearly all cases, this charge is less than the universal service charge rate.

Telecommunications Assistance Service Fund - Similar to State Universal Service Fund above, but the funding is usually focused on helping low income and elderly telecommunication users. Typically this charge is accessed as a per line charge on local lines.

Telecommunications Education Access Fund - State fund used to facilitate internet access and related telecom services to qualified schools and libraries.

Telecommunications Infrastructure Fund - Fund used to support the telecommunications infrastructure.

Telecommunications Infrastructure Maintenance Fee - Fee used to fund the maintenance of telecommunications infrastructure (network, switches, etc.).

Telecommunications Relay Service Surcharge – Business - Similar to Telecommunications Relay Service Surcharge above, but only applied to a business customer

Telecommunications Relay Service Surcharge - Charges used to fund telecommunications access for the deaf.

Transit Tax - A specific state, county or local sales tax used to fund a transportation district or program.
type.

Universal Lifeline Telephone Service Charge - This CA state charge funds a program that provides basic telephone service to qualifying low-income families.

Universal Service Fund - Access/Trunk line - Similar to State Universal Service Fund above, but only applied on applicable local access or local trunk line.

Universal Service Fund - Business Line - Similar to State Universal Service Fund above, but only applied on a business local line.

Universal Service Fund – Wireless - Similar to State Universal Service Fund above, but only applied upon wireless telecommunications.

Universal Service Fund (Paging) - Tax similar to State Universal Service Fund, but only applied upon paging telecommunications.

Use Tax - An ad valorem tax on the use, consumption, or storage of tangible property and usually assessed at the same rate as the sales tax of the applicable jurisdiction.

Utility Users Tax – Business - Same as the Utility Users Tax above, except that it applies to businesses. This will occur when different rates exist for utility users based upon them being a business or residential user.

Utility Users Tax – Cable Television - This is a tax imposed upon users of utilities. In this case, the utility is cable television.

Utility Users Tax - PBX Trunk - Similar to Utility Users Tax above, but only applied to PBX trunks.

Utility Users Tax - This is a tax imposed upon users of utilities. In this case the utility is telecommunications.

Utility Users Tax – Wireless - Similar to Utility Users Tax above, but only applied upon wireless services.

Value Added Tax (VAT) - International based tax on the final consumption of certain goods and services.

NOTE: THE COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE ACCURACY OF THE INFORMATION CONTAINED HEREIN. THE INFORMATION IS PROVIDED SOLELY FOR THE PURPOSE OF ADVISING THE SUBSCRIBER WITH A DESCRIPTION OF CHARGES THAT MAY APPEAR ON AN INVOICE FOR SERVICES. CHARGE APPLICABILITY WILL VARY BY SUBSCRIBER AND IS CONTINGENT UPON, WITHOUT LIMITATION, THE SUBSCRIBER'S LOCATION AND SERVICE TYPE. INFORMATION AND RATES ARE SUBJECT TO CHANGE WITHOUT NOTICE.

2.3 Liability of the Company

2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.

- 2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmitted.
- 2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.
- 2.3.4 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring in the course of furnishing service or facilities, and not caused by the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the Customer for the period during which the aforementioned faults in transmission occur. No other liability in any event shall attach to the Company, except as ordered by the Commission.
- 2.3.5 The Company shall not be liable for and shall be indemnified and saved harmless by any Customer or by any other entity from any and all loss, claims, demands, suits, or other action or any liability whatsoever, whether suffered, made, instituted, or asserted by any Customer or any other entity for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any Customer or any other entity of any other property whether owned or controlled by the Customer or others.
- 2.3.6 The Company shall not be liable for any indirect, special, incidental, or consequential damages under this tariff including, but not limited to, loss of revenue or profits, for any reason whatsoever, including the breakdown of facilities associated with the service, or for any mistakes, omissions, delays, errors, or defects in transmission occurring during the course of furnishing service.
- 2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express or implied, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- 2.3.8 Each action or claim of any party arising under or relating to this Agreement shall be made only against the other party as a corporation, and any liability relating thereto shall be enforceable only against the corporate assets of such party. No party shall seek to pierce the corporate veil or otherwise seek to impose any liability relating to, or arising from, this Agreement against any parent company, affiliated company, subsidiary, shareholder, employee, officer or director of the other party.

2.4 Responsibilities of the Customer or Subscriber

- 2.4.1 The Customer is responsible for placing any necessary orders, for complying with tariff regulations, and for assuring that users comply with tariff regulations. The Customer shall ensure compliance with any applicable laws, regulations, orders or other requirements (as they exist from time to time) of any governmental entity relating to services provided or made available by the Customer to authorized users.
- 2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by Matrix on the Customer's behalf.
- 2.4.3 If required for the provision of Matrix services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to the Company.
- 2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to the Company and the Customer when required for the Company personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of Matrix's services.
- 2.4.5 The Customer shall ensure that its equipment and/or system is properly interfaced with Matrix facilities or services, that the signals emitted into the Matrix network are of the proper mode, bandwidth, power, and signal level for the intended use of the Customer in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, Matrix will permit such equipment to be connected with its channels without the use of protective interface devices.
- If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to Matrix equipment, personnel, or the quality of service to other Customers, Matrix may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, Matrix may, upon written notice, terminate the Customer's service.
- 2.4.6 The Customer must pay the Company for replacement or repair of damage to the equipment or facilities of the Company caused by negligence or willful act of the Customer, users, or others, by improper use of the services, or by use of equipment provided by the Customer, users, or others.
- 2.4.7 The Customer must pay for the loss through theft of any Matrix equipment installed at Customer's premises.

- 2.4.8 The Customer is responsible for the payment of charges for all calls originated at the Customer's numbers, even when those calls are originated by fraudulent means, either from the Customer's premises or from remote locations.
- 2.4.9 The Customer or authorized user is responsible for compliance with the applicable regulations set forth in this tariff.
- 2.4.10 The Customer or authorized user is responsible for identifying the station, party, or person with whom communications is desired and/or made at the called number.

2.5 Cancellation or Discontinuance of Services

- 2.5.1 Without incurring liability, Matrix may, upon five working days written notice, discontinue services to a Customer or may withhold the provision of ordered or contracted services:
 - 2.5.1.A For nonpayment of any sum due Matrix for more than thirty days after issuance of the bill for the amount due,
 - 2.5.1.B For violation of any of the provisions of this tariff,
 - 2.5.1.C For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over the Company's services, or
 - 2.5.1.D By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting Matrix from furnishing its services.
- 2.5.2 Without incurring liability, Matrix may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and Company's equipment and services and may continue such interruption until any items of non-compliance or improper equipment operation so identified are rectified.
- 2.5.3 Service may be discontinued by Matrix, without notice to the Customer, by blocking traffic to certain countries, cities or NXX exchanges, or by blocking calls using a call screening method which generates a network message not allowing calls to complete, when Matrix deems it necessary to take such action to prevent unlawful use of its service. Matrix will restore service as soon as it can be provided without undue risk.
- 2.5.4 The Customer may terminate service upon verbal or written notice for the Company's standard month to month contract. Customer will be liable for all usage on any of the Company's service offerings until the Customer actually

leaves the service. Customers will continue to have Company usage and be responsible for payment until the Customer or its agent notifies its local exchange carrier and changes its long distance carrier.

2.6 Interruption of Service

- 2.6.1 Credit allowance for the interruption of service which is not due to the Company's testing, inspecting, or adjusting, of equipment; or to the failure of channels or equipment provided by the Customer; or to the Company's blocking of services to certain locations; and that is not caused by the Customer, is subject to the general liability provisions set forth in 2.3 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within his control, or is not in wiring or equipment, if any, furnished by the Customer and connected to the Company's facilities.
- 2.6.2 No credit is allowed in the event that service must be interrupted in order to provide routine service quality or related investigations.
- 2.6.3 Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of the Company.
- 2.6.4 Credit for interruption shall commence after the Customer notifies the Company of the interruption or when the Company becomes aware thereof, and ceases when service has been restored.
- 2.6.5 For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.6.6 No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.6.7 The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

CREDIT FORMULA:

$$\text{Credit} = (A \times B) / 720$$

"A" - outage time in hours

"B" - total monthly charge for affected facility

2.7 Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission

2.8 Deposits

The Company does not require a deposit from the Customer.

2.9 Advance Payments

For Customers whom the Company feels an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and if necessary a new advance payment will be collected for the next month.

2.10 Taxes

All federal, state and local taxes, assessments, surcharges, or fees (i.e., gross receipts tax, sales tax, use tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.11 Billing and Charges

2.11.1 Matrix will bill its customers directly. Billing will be payable upon receipt and will be considered past due if not paid within 15 days.

2.11.2 The Customer is responsible for payment of all charges for services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, subscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, subscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer. Recurring charges and non-recurring charges are billed in advance. Charges based on actual usage during a month and any accrued interest will be billed monthly in arrears.

2.12 Collection Costs

In the event Company is required to initiate legal proceedings to collect any amounts due to Company for regulated services, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amount due, be liable to Company for all reasonable costs incurred by Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payment, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company will be determined by the Court.

2.13 Customer Complaints and/or Billing Disputes

2.13.1 Customers may contact Matrix's representatives 24 hours a day, 7 days a week at 1-800-282-0242, or by writing to Matrix Telecom, Inc., Customer Service Division, P.O. Box 272375, Oklahoma City, OK 73127.

2.13.2 Any objection to billed charges should be reported promptly to Matrix. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate. A Customer who is unable to resolve a billing dispute with the Company may contact the Commission to intervene in the billing dispute.

2.14 Reseller/Rebiller Certification

Any Customer that resells or rebills the Matrix services set forth in this tariff must possess all certifications and authorizations required by the Florida Public Service Commission and all other pertinent authorities.

SECTION 3 - DESCRIPTION OF SERVICE

3.1 Timing of Calls

3.1.1 The Customer's long distance usage charge is based on the actual usage of Matrix Telecom, Inc.'s network. Usage begins when the called party picks up the receiver. When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when either the called or calling party hangs up. There will be no charges for incomplete calls.

3.1.2 The minimum call duration and initial billing period is 60 seconds for all intrastate direct dialed calls unless otherwise specified by this tariff. Any additional period is measured and rounded to the next higher 60 second increment unless otherwise specified by this tariff.

3.2 Calculation of Distance

Usage charges for all mileage sensitive products are based on the airline distance rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers and associated vertical and horizontal coordinates that are

produced by Bell Communications Research in their NPA-NXX V & H Coordinates Tape and Bell's NECA Tariff No. 4

FORMULA:
$$2 \sqrt{\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}}$$

EXAMPLE: Distance between Miami and New York City -

| | | |
|------------|--------------|--------------|
| <u>VH</u> | | |
| Miami | 8,351 | 529 |
| New York | <u>4,997</u> | <u>1,406</u> |
| Difference | 3,354 | -879 |

Square and add: $11,249,316 + 772,641 = 12,021,96$

Divide by 10 and round: $12,021,597 / 10 = 1,202,195.70$
 $= 1,202,196$

Take square root and round: $1,202,196 = 1,096.4$
 $= 1,097 \text{ miles}$

3.3 Minimum Call Completion Rate

A Customer can expect a call completion rate (number of calls completed / number of calls attempted) of not less than 95% during peak use periods for all services ("1+" dialing).

3.4 Service Offerings

3.4.1 "1 Plus" Long Distance Service – Switched

"1 Plus" Long Distance Service – Switched is a switched access service, offering users outbound "1 plus" long distance telecommunications services from points originating and terminating within the state of Florida.

3.4.1.A **M80 – Matrix Elite**

This plan enables Customers to call stations of any domestic phone system. Calls are rated on the basis of a 60-second initial billing period with additional periods rounded to the next higher 60-second increment. Service is accessed by designating Matrix Telecom, Inc. as the long distance carrier, and dialing 1+the called number. Rates are set forth in the Rates section of this tariff. Customers on this plan are subject to a monthly Carrier Access Fee

pursuant to the Rates section of this tariff. There are no monthly minimums or sign-up fees associated with this product.

3.4.1.B M81 – Matrix Premium

This plan enables Customers to call stations of any domestic phone system. Calls are rated on the basis of a 60-second initial billing period with additional periods rounded to the next higher 60-second increment. Service is accessed by designating Matrix Telecom, Inc. as the long distance carrier, and dialing 1+the called number. Rates are set forth in the Rates section of this tariff. Customers on this plan are subject to a monthly Carrier Access Fee pursuant to the Rates section of this tariff. There are no monthly minimums or sign-up fees associated with this product.

3.4.1.C M82 – Matrix Platinum

This plan enables Customers to call stations of any domestic phone system. Calls are rated on the basis of a 60-second initial billing period with additional periods rounded to the next higher 60-second increment. Service is accessed by designating Matrix Telecom, Inc. as the long distance carrier, and dialing 1+the called number. Rates are set forth in the Rates section of this tariff. Customers on this plan are subject to a monthly Carrier Access Fee pursuant to the Rates section of this tariff. There are no monthly minimums or sign-up fees associated with this product.

3.4.1.D M83 – Matrix Gold

This plan enables Customers to call stations of any domestic phone system. Calls are rated on the basis of a 60-second initial billing period with additional periods rounded to the next higher 60-second increment. Service is accessed by designating Matrix Telecom, Inc. as the long distance carrier, and dialing 1+the called number. Rates are set forth in the Rates section of this tariff. Customers on this plan are subject to a monthly Carrier Access Fee pursuant to the Rates section of this tariff. There are no monthly minimums or sign-up fees associated with this product.

3.4.1.E M84 – Matrix Silver

This plan enables Customers to call stations of any domestic phone system. Calls are rated on the basis of a 60-second initial billing period with additional periods rounded to the next higher 60-second increment. Service is accessed by designating Matrix Telecom, Inc. as the long distance carrier, and dialing 1+the called

number. Rates are set forth in the Rates section of this tariff. Customers on this plan are subject to a monthly Carrier Access Fee pursuant to the Rates section of this tariff. There are no monthly minimums or sign-up fees associated with this product.

3.4.1.F **M85 – Matrix Value**

This plan enables Customers to call stations of any domestic phone system. Calls are rated on the basis of a 60-second initial billing period with additional periods rounded to the next higher 60-second increment. Service is accessed by designating Matrix Telecom, Inc. as the long distance carrier, and dialing 1+the called number. Rates are set forth in the Rates section of this tariff. Customers on this plan are subject to a monthly Carrier Access Fee pursuant to the Rates section of this tariff. There are no monthly minimums or sign-up fees associated with this product.

3.4.1.G **M90 – Matrix Today**

This plan enables Customers to call stations of any domestic phone system. Calls are rated on the basis of a 30-second initial billing period with additional periods rounded to the next higher 6-second increment and time of day/day of week. Service is accessed by designating Matrix Telecom, Inc. as the long distance carrier, and dialing 1+the called number. Rates are set forth in the Rates section of this tariff. A monthly minimum applies to this product as set forth in the Rates section of this tariff. This plan offers its Customers a calling card service. Calling card calls are rated on the basis of a 60-second initial billing period with additional periods rounded to the next higher 60-second increment. Calling Card calls are subject to a per call surcharge as set forth in the Rates section of this tariff. Customers are also offered a toll-free service with this plan. Toll-free calls are rated on the basis of a 30-second initial billing period with additional periods rounded to the next higher 6-second increment and time of day/day of week. A monthly recurring fee applies to this product as set forth in the Rates section of this tariff. Calling card and toll-free calls are billed in accordance with the rates set forth in the Rates section of this tariff and appear on the Customer's monthly long distance bill.

3.4.1.H **M91 – Matrix Savings**

This plan enables Customers to call stations of any domestic phone system. Calls are rated on the basis of a 30-second initial billing period with additional periods rounded to the next higher 6-second increment and time of day/day of week. Service is accessed by

designating Matrix Telecom, Inc. as the long distance carrier, and dialing 1+the called number. Rates are set forth in the Rates section of this tariff. A monthly minimum applies to this product as set forth in the Rates section of this tariff. This plan offers its Customers a calling card service. Calling card calls are rated on the basis of a 60-second initial billing period with additional periods rounded to the next higher 60-second increment. Calling Card calls are subject to a per call surcharge as set forth in the Rates section of this tariff. Customers are also offered a toll-free service with this plan. Toll-free calls are rated on the basis of a 30-second initial billing period with additional periods rounded to the next higher 6-second increment and time of day/day of week. A monthly recurring fee applies to this product as set forth in the Rates section of this tariff. Calling card and toll-free calls are billed in accordance with the rates set forth in the Rates section of this tariff and appear on the Customer's monthly long distance bill.

3.4.2 Calling Card Service

Matrix Calling Card Service permits the caller to charge a principal presubscribed location for a call while the caller is away from the principal location. The Customer may place calls from any touch tone phone in the U.S. by dialing a toll free number and entering a personal identification code followed by the desired telephone number. Calling Card Calls are rated on the basis of a 60-second initial billing period with additional periods rounded to the next higher 60 second increment. Calls are billed in accordance with the rates set forth in the Rates section of this tariff and appear on the Customer's monthly long distance bill. Calling Card Calls are subject to a per call surcharge as set forth in the Rates section of this tariff.

3.4.3 Toll Free Service – Switched

Matrix Toll Free Service – Switched is a switched access service, offering users inbound, toll free long distance telecommunications services from points originating and terminating within the state of Florida. This service enables the caller to contact the Customer toll free, through the use of an assigned toll free number. Calls are rated on the basis of a 60-second initial billing period with additional periods rounded to the next higher 60 second increment. Calls are billed in accordance with the rates set forth in the Rates section of this tariff and appear on the Customer's monthly long distance bill. There are no monthly recurring fees, minimums or sign-up charges associated with this product.

3.5 Special Promotional Offerings

The company may from time to time engage in special promotional offerings limited to certain dates, times or locations designed to attract new subscribers or increase subscriber

usage. The company will not have special promotional offerings for more than 90 days in any 12 month period. Promotions will be made a part of this tariff.

SECTION 4 - RATES

4.1 “1 Plus” Long Distance Services – Switched Rates

4.1.1 M80 – Matrix Elite Rates and Charges

Charges are billed in full minute increments. Intrastate calls are charged at a rate of \$0.1390 per minute, 24 hours a day, seven days a week.

A Carrier Access Fee in the amount of \$1.92 per month applies to this rate plan.

There are no monthly minimums or sign-up fees.

Calling Cards and Toll-Free Services are available under this rate plan. Rates for these services are as set forth hereinbelow.

4.1.2 M81 – Matrix Premium Rates and Charges

Charges are billed in full minute increments. Intrastate calls are charged at a rate of \$0.1390 per minute, 24 hours a day, seven days a week.

A Carrier Access Fee in the amount of \$2.41 per month applies to this rate plan.

There are no monthly minimums or sign-up fees.

Calling Cards and Toll-Free Services are available under this rate plan. Rates for these services are as set forth hereinbelow.

4.1.3 M82 – Matrix Platinum Rates and Charges

Charges are billed in full minute increments. Intrastate calls are charged at a rate of \$0.1390 per minute, 24 hours a day, seven days a week.

A Carrier Access Fee in the amount of \$3.12 per month applies to this rate plan.

There are no monthly minimums or sign-up fees.

Calling Cards and Toll-Free Services are available under this rate plan. Rates for these services are as set forth hereinbelow.

4.1.4 M83 – Matrix Gold Rates and Charges

Charges are billed in full minute increments. Intrastate calls are charged at a rate of \$0.1390 per minute, 24 hours a day, seven days a week.

A Carrier Access Fee in the amount of \$3.41 per month applies to this rate plan.

There are no monthly minimums or sign-up fees.

Calling Cards and Toll-Free Services are available under this rate plan. Rates for these services are as set forth hereinbelow.

4.1.5 M84 – Matrix Silver Rates and Charges

Charges are billed in full minute increments. Intrastate calls are charged at a rate of \$0.1390 per minute, 24 hours a day, seven days a week.

A Carrier Access Fee in the amount of \$2.36 per month applies to this rate plan.

There are no monthly minimums or sign-up fees.

Calling Cards and Toll-Free Services are available under this rate plan. Rates for these services are as set forth hereinbelow.

4.1.6 M85 – Matrix Value Rates and Charges

Charges are billed in full minute increments. Intrastate calls are charged at a rate of \$0.1390 per minute, 24 hours a day, seven days a week.

A Carrier Access Fee in the amount of \$3.64 per month applies to this rate plan.

There are no monthly minimums or sign-up fees.

Calling Cards and Toll-Free Services are available under this rate plan. Rates for these services are as set forth hereinbelow.

4.1.7 M90 – Matrix Today Rates and Charges

Charges are billed on the basis of 30-second initial, and additional 6-second increments and time of day/day of week. Intrastate calls are charged at a rate of \$0.1390 per minute, from 8am to 5pm, Monday through Friday and \$0.1790 per minute all other times. A \$50.00 Monthly Minimum Charge applies to this rate plan.

Calling cards are made available to Customers on this rate plan. Calling card calls are billed in full minute increments. Intrastate calls are charged at a rate of \$0.33 per minute, 24 hours a day, seven days a week up to \$20.00. These per minute charges are not billed to the Customer but are free of charge under this

plan. The Customer will be billed, however, for a surcharge in the amount of \$1.25 per call. When the per minute charges reach \$20.00, the per minute rate will be reduced to \$0.15 and the per call surcharge will be reduced to \$0.10. The Customer will be billed for these charges.

Toll-free service is made available to Customers on this rate plan. Toll-free calls are rated on the basis of a 30-second initial billing period with additional periods rounded to the next higher 6-second increment and time of day/day of week. Intrastate calls are charged at a rate of \$0.1390 per minute, from 8am to 5pm, Monday through Friday and \$0.1790 per minute all other times. There is a monthly fee in the amount of \$2.99 that applies to this service.

4.1.8 M91 – Matrix Savings Rates and Charges

Charges are billed on the basis of 30-second initial, and additional 6-second increments and time of day/day of week. Intrastate calls are charged at a rate of \$0.1390 per minute, from 8am to 5pm, Monday through Friday and \$0.1790 per minute all other times. A \$50.00 Monthly Minimum Charge applies to this rate plan.

Calling cards are made available to Customers on this rate plan. Calling card calls are billed in full minute increments. Intrastate calls are charged at a rate of \$0.33 per minute, 24 hours a day, seven days a week up to \$20.00. These per minute charges are not billed to the Customer but are free of charge under this plan. The Customer will be billed, however, for a surcharge in the amount of \$1.25 per call. When the per minute charges reach \$20.00, the per minute rate will be reduced to \$0.15 and the per call surcharge will be reduced to \$0.10. The Customer will be billed for these charges.

Toll-free service is made available to Customers on this rate plan. Toll-free calls are rated on the basis of a 30-second initial billing period with additional periods rounded to the next higher 6-second increment and time of day/day of week. Intrastate calls are charged at a rate of \$0.1390 per minute, from 8am to 5pm, Monday through Friday and \$0.1790 per minute all other times. There is a monthly fee in the amount of \$2.99 that applies to this service.

4.2 Calling Card Service Rates

4.2.1 Dime—Anytime! Calling Card Rates and Charges

Charges are billed in full minute increments. Intrastate calls are charged at a rate of \$0.15 per minute, 24 hours a day, seven days a week.

A Surcharge in the amount of \$0.10 per call applies to this rate plan.

4.3 Toll Free Service – Switched Rates

Charges are billed in full minute increments. Intrastate calls are charged at a rate of \$0.099 per minute, 24 hours a day, seven days a week.

There are no monthly fees, minimums or sign-up fees associated with this Rate Plan.

4.4 Directory Assistance

A long distance directory assistance charge applies when the caller accesses the Company's network by dialing 1 + Area Code + 555-1212 to place a request for a telephone number. A caller may request one telephone number per directory assistance call. The charge applies to each inquiry regardless of whether the directory assistance bureau is able to supply a listed number. A credit will be issued for any directory assistance charge for which the Customer experiences poor transmission quality, is cut off, receives an incorrect telephone number, or misdials.

| | <u>Per Inquiry</u> |
|-------------------------------|--------------------|
| Directory Assistance Charge - | \$0.75 |

4.5 Special Rates

4.5.1 Discount for Hearing Impaired Customers:

A telephone toll message which is communicated using a telecommunications device for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments for individuals equipped with TDDs for communicating with hearing or speech impaired persons will receive, upon request, a discount for calls placed between TDDs. The credit to be given on a subsequent bill for such calls placed between TDDs will result in the application of the evening rate for calls made during daytime hours and night rates for calls made during evening and night hours. Discounts do not apply to surcharges or per call add on charges for operator service when the call is placed by a method that would normally incur the surcharge.

4.5.2 Operator Assistance for Handicapped Persons:

Operator station surcharges will not be charged by the Company for operator assistance provided to a caller who identified him or herself as being handicapped and unable to dial the call because of a handicap.

4.5.3 Directory Assistance for Handicapped Persons:

There is no charge for Directory Assistance calls from handicapped persons. Such persons must contact the Company for credit on their directory assistance calls.

4.5.4 Discount for Telecommunications Relay Service Intrastate Toll Calls

Intrastate toll telecommunications relay service calls will be discounted by 50 percent off of the otherwise applicable rate for a voice nonrelay call except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call will be discounted 60 percent off the otherwise applicable rate for a voice nonrelay call. The above discounts apply only to time-sensitive elements of a charge for the call and shall not apply to per call charges or surcharges.

4.6 Time Of Day Rate Periods

Day, evening and night/weekend rates apply for the following products based on the following chart:

All Services:

| | MON | TUES | WEDS | THURS | FRI | SAT | SUN |
|----------------------------|--------------------------------------|------|------|-------|-----|-----|-----|
| 8:00 AM TO 5:00 PM* | DAYTIME RATE PERIOD | | | | | | |
| 5:00 PM TO 11:00 PM* | EVENING/NIGHT/WEEKEND RATE PERIOD | | | | | | |
| 11:00 PM TO 8:00 AM* | | | | | | | |

*** to, but not including**

Calls are billed based on the rate in effect for the actual time period(s) during which the call occurs. Calls that cross rate period boundaries are billed the at rates in effect in that boundary for each portion of the call.

4.7 Payphone Use Surcharge

An undiscountable payphone use surcharge of \$.35 shall apply to each coinless call which Matrix Telecom, Inc. can identify as being placed from a domestic payphone by or to the Customer or its permitted user. This includes, but is not limited to, calls placed with a Matrix Telecom, Inc. calling card, collect calls and calls placed to 800 numbers. This charge is in addition to standard tariffed usage charges and is for the use of the payphone instrument to access Matrix Telecom, Inc.'s service.

4.8 Finance Charge and Late Fee

A finance charge in the amount of 1.5% monthly will be charged on any past due balances. In addition, if the amount considered past due is greater than \$6.00, a late fee in the amount of \$10.00 will also be applied.

4.9 Return Check Charges

A fee of \$15.00 will be charged for each check returned.

4.10 Reconnection Charge

A reconnection fee of \$20.00 per occurrence is charged when service is re-established for Customers who had been disconnected for non-payment.

4.11 Employee Concessions

Any employee of the Company in good standing may receive any of the Company's services with a \$20.00 per month credit towards the monthly billing. In addition, the monthly Carrier Access Fee will be waived for employees.