

RULES, REGULATIONS, AND
SCHEDULE OF RATES AND CHARGES
APPLICABLE TO
LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
FURNISHED BY
MATRIX TELECOM, INC.
WITHIN THE STATE OF NEVADA

Issued:

Effective:

By:

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc.
7171 Forest Lane, Suite 700
Dallas, TX 75230

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APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of local exchange service by Matrix Telecom, Inc ("the Company") in the serving areas defined herein.

The provision of local exchange services is subject to existing regulations and terms and conditions specified in this tariff and may be revised, added to or supplemented by superseding issues.

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EXPLANATION OF SYMBOLS

The following symbols shall be used in this tariff for the purposes indicated below:

- C To indicate changed regulation.
- D To indicate discontinued rate or regulation.
- I To indicate increased rate.
- M To indicate a move in the location of text.
- N To indicate new rate or regulation.
- R To indicate reduced rate.
- T To indicate a change in text but no change in rate or regulation.

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TARIFF FORMAT

A. Page Numbering: Each page is numbered at the upper right corner of the page. Pages are numbered sequentially. New pages are occasionally added to the tariff between pages already in effect. In this case the new page number appears with a decimal added.

B. Page Revision Numbers: Revision numbers also appear in the upper right corner of each page where applicable. These numbers are used to indicate the most current page version on file with the Commission. Consult the Check Sheet for the pages currently in effect.

C. Paragraph Numbering Sequence: There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

2.
2.1
2.1.1
2.1.1.A
2.1.1.A.1
2.1.1.A.1.(a)
2.1.1.A.1.(a).I
2.1.1.A.1.(a).I.(i)
2.1.1.A.1.(a).I.(i).(1)

D. Check Sheets: When a tariff filing is made with the Commission, an updated Check Sheet will accompany the tariff filing. The Check Sheet lists the pages contained in the tariff, with a cross-reference to the current Revision Number. When new pages are added, the Check Sheet is changed to reflect that revision. All revisions made in a given filing are designated by an asterisk (*). The tariff user should refer to the latest Check Sheet to find out if a particular page is the most current on Commission file.

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EXPLANATION OF TERMS

ADVANCE PAYMENT

Part or all of a payment required before the start of service.

AGENCY

For 911 or E911 service, the government agency(s) designated as having responsibility for the control and staffing of the emergency report center.

AUTHORIZED USER

A person, corporation or other entity that is authorized by the Company's customer to utilize service provided by the Company to the customer. The customer is responsible for all charges incurred by an Authorized User.

ATTENDANT

An operator of a PBX console or telephone switchboard.

BUILDING

A structure enclosed within exterior walls or fire walls, built, erected and framed of component structural parts and designed for permanent occupancy.

CALL INITIATION

The point in time when the exchange network facility is initially allocated for the establishment of a specific call.

CALL TERMINATION

The point in time when the exchange network facility allocated to a specific call is released for reuse by the network.

CENTRAL OFFICE

An operating office of the incumbent local exchange company where connections are made between telephone exchange lines.

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EXPLANATION OF TERMS (cont'd)

CUSTOMER

A person, firm, partnership, limited liability company, corporation, municipality, cooperative association or organization, governmental agency, or other entity receiving telecommunications services.

EMERGENCY

A situation that appears to present immediate danger to person or property.

EMERGENCY SERVICE (ENHANCED 911)

Allows customers to reach appropriate emergency services, including police, fire and medical services. Enhanced 911 has the ability to selectively route an emergency call to the primary E911 provider so that it reaches the correct emergency service located closest to the caller. In addition, the Customer's address and telephone information will be provided to the primary E911 provider for display at the Public Safety Answering Point (PSAP).

E911 SERVICE AREA

The geographic area in which the government agency will respond to all E911 calls and dispatch appropriate emergency assistance.

E911 CUSTOMER

A governmental agency that is the customer of record and is responsible for all negotiations, operations and payment of bills in connection with the provision of E911 service.

ERROR

A discrepancy or unintentional deviation by the Company from what is correct or true. An "error" can also be an omission in records.

EXCHANGE

An area, consisting of one or more central office districts, within which a call between any two points is a local call.

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EXPLANATION OF TERMS (cont'd)

EXCHANGE ACCESS LINE

A central office line furnished for direct or indirect access to the exchange system.

FINAL ACCOUNT

A customer's outstanding charges still owed to the Company.

INVESTIGATIVE OR LAW ENFORCEMENT OFFICER

An officer of the United States, a state or a political subdivision of the United States which is empowered by law to investigate or make arrests for crimes related to communications, or an attorney authorized by law to prosecute those crimes.

LAST NUMBER REDIAL

Enables a station line user to redial the last called number by use of an access code rather than dialing the entire number.

LATA

A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4.

LOCAL CALL

A call which is not rated as a long distance call.

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EXPLANATION OF TERMS (cont'd)

LOCAL CALLING AREA

The area, consisting of one or more central office districts, within which a subscriber for exchange service may make telephone calls without a long distance charge.

LOCAL EXCHANGE CARRIER

A company that furnishes exchange telephone service.

LOCAL SERVICE

Telephone exchange service within a local calling area.

MOVE

The disconnection of existing service at one location and reconnection of the same service at a new location in the same building or in a different building on the same premises.

PBX

A private branch exchange.

PRESUBSCRIPTION

An arrangement whereby a Customer may select and designate to the Company an Exchange Carrier it wishes to access, without an access code, for completing intraLATA and interLATA toll calls. The selected Exchange Carrier is referred to as the End User's Primary Interexchange Carrier (PIC).

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EXPLANATION OF TERMS (cont'd)

RATE CENTER

Company-designated service locations from which service is rendered or rated.

RECURRING CHARGES

The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

SERVICE COMMENCEMENT DATE

The first day following the date on which the Company notifies the customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and Customer may mutually agree on a substitute Service Commencement Date.

SERVICE ORDER

The written request for Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date.

SERVING CENTRAL OFFICE

The central office from which local service is furnished

SPEED CALLING

Permits a station line user to dial selected numbers by using fewer digits than normally required. This is accomplished through the assignment of abbreviated codes to frequently called numbers. The speed calling list is customer-changeable.

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EXPLANATION OF TERMS (cont'd)

TELECOMMUNICATIONS RELAY SERVICE (TRS)

Enables deaf, hard-of-hearing or speech-impaired persons who use a Text Telephone (TT) or similar devices to communicate freely with the hearing population not using TT or vice versa. A customer will be able to access the state provider to complete such calls.

TELEPHONE CALL

A voice connection between two or more telephone stations through the public switched exchange system.

TERMINATION OF SERVICE

Discontinuance of both incoming and outgoing service.

TOLL BLOCKING

Allows end users to block direct-dialed long distance calls from their telephones.

TOLL CALL

Any call extending beyond the local exchange of the originating caller which is rated on a toll schedule by the Company.

USER

A customer or any other person authorized by a Customer to use service provided under this Tariff.

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SECTION 1 - REGULATIONS

1.1 Undertaking of the Company

- 1.1.1 The Company undertakes to provide the services in this tariff on the terms and conditions and at the rates and charges set forth herein.
- 1.1.2 The Company is responsible under this tariff only for the services and facilities provided herein, and it assumes no responsibility for any service provided by any other entity. Customers may use services and facilities provided under this tariff to obtain access to services offered by other service providers.
- 1.1.3 The Company will provide a toll-free number giving Customers access to service personnel during regular business hours.
- 1.1.4 The Company will comply with any applicable quality of service requirements according to Nevada laws and rules.

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SECTION 1 – REGULATIONS (CONT'D)

1.2 Terms and Conditions

- 1.2.1 Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. The Customer will be required to execute any other documents as may be reasonably requested by the Company.
- 1.2.2 Service is provided for a minimum period of at least one month, 24 hours a day. A month is considered to have thirty days unless otherwise specified. At the expiration of the initial terms specified in each service order, or in any extension thereof, service shall continue on a month to month basis at the then current tariffed, month to month rates, unless terminated by the Customer. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination.
- 1.2.3 This tariff shall be interpreted and governed by the laws of the State of Nevada without regard for the State's choice of laws provisions.
- 1.2.4 Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company.
- 1.2.5 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- 1.2.6 In response to a subpoena or investigation or other demand issued or authorized by a court or government agency, the Company shall provide customer records and related information without further notice.
- 1.2.7 Customer shall not connect any equipment to the Company's network, except with at least ten (10) days prior written notice to the Company

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SECTION 1 – REGULATIONS (CONT'D)

1.3 Notification of Service Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in the normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventive maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service-affecting activities. The Company will work cooperatively with the Customer to determine reasonable notification requirements. With some emergency or unplanned service affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

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SECTION 1 – REGULATIONS (CONT'D)

1.4 Provision of Equipment and Facilities

- 1.4.1 The Company will make reasonable efforts to make services available to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with the regulations contained in this tariff. The Company does not guarantee availability by any such date and any liability of the Company will be limited by Section 1.5 of this tariff.
- 1.4.2 The Company shall use reasonable efforts to maintain the services that it furnishes to the Customer. The Customer may not rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the services provided by the Company, except upon the written consent of the Company. The Customer may not permit others to rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the services provided by the Company, except upon the written consent of the Company.
- 1.4.3 The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities, as well as the facilities the Company may obtain from other carriers, from time to time, to furnish service as required at the sole discretion of the Company.
- 1.4.4 Customer bears all responsibility in the event they utilize equipment not approved or authorized by the Company. Customer shall supply all electrical power and other utilities necessary to operate or use the services provided.

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SECTION 1 – REGULATIONS (CONT'D)

1.4 Provision of Equipment and Facilities (cont'd)

1.4.5 The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of services offered under this tariff and to the maintenance and operation of such facilities. Beyond this responsibility, the Company shall not be responsible for:

- (i) the transmission of signals by Customer provided equipment or for the quality of, or defects in such transmission; or
- (ii) the reception of signals by Customer provided equipment; or
- (iii) network control signaling where such signaling is performed by Customer provided network control signaling equipment.

1.4.6 At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but at the Customer's request extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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SECTION 1 – REGULATIONS (CONT'D)

1.5 Liability of the Company

- 1.5.1 The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays or errors, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by acts or omission, shall be limited to the extension of allowances for interruption as set forth below. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.
- 1.5.2 The Company's liability for willful misconduct, if established as a result of judicial or administrative proceedings, is not limited by this tariff. The Company's liability, if any, with regard to delayed installation of the Company facilities or commencement of service, shall not exceed \$1,000. With respect to any other claim or suit, by a Customer or by any others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this tariff, and subject to the provisions of Section 1.7.2, the Company's liability, if any, shall be limited as provided herein.

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SECTION 1 – REGULATIONS (CONT'D)

1.5 Liability of the Company (cont'd)

1.5.3 The Company shall be indemnified, defended and held harmless against any claim, loss or damage arising from the use of service offered under this tariff, involving:

- (i) claims for libel, slander, invasions of privacy or infringement of copyright arising from any communication;
- (ii) claims for patent infringement arising from combining or using the service furnished by the Company in connection with facilities or equipment furnished by others; or
- (iii) claims for loss of profit; or
- (iv) all other claims arising out of any act or omission of others in the course of using services provided pursuant to this tariff.

1.5.4 The Company's failure to provide or maintain services under this tariff shall be excused by labor difficulties, governmental orders, civil commissions, preemption of existing services to restore services in compliance with Part 64, Subpart D, Appendix A, of the F.C.C.'s Rules and Regulations, acts of God and other circumstances beyond the Company's control.

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SECTION 1 – REGULATIONS (CONT'D)

1.5 Liability of the Company (cont'd)

- 1.5.5 The Company shall not be liable for the Customer's failure to fulfill its obligations to take all necessary steps including, without limitation, obtaining, installing and maintaining all necessary equipment, materials and supplies for interconnecting the terminal equipment or communications system of the Customer, or any third party acting as its agent, to the Company's exchange access lines. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting imminent harm to Company personnel, or the quality of service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's service without liability.

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SECTION 1 – REGULATIONS (CONT'D)

1.5 Liability of the Company (cont'd)

1.5.6 With Respect to Emergency Number 911 Service

This service is offered solely as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person for any personal injury to or death of any person or persons and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by: (1) mistakes, omissions, interruptions, delays, errors or defects in the provision of this service, or (2) installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any equipment and facilities furnishing this service.

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SECTION 1 – REGULATIONS (CONT'D)

1.5 Liability of the Company (cont'd)

1.5.7 With Respect to Directory Listings

- A In the absence of gross negligence or willful misconduct, and except for any allowances stated below, no liability for damages arising from errors or mistakes in or omissions of any directory listings, or errors or mistakes in or omissions of listings obtainable from the directory assistance operator, including errors in the reporting thereof, shall attach to the Company.
- B An allowance for errors or mistakes in or omissions of any published directory listings or for errors or mistakes in or omissions of listings obtainable from the directory assistance operator shall be given as follows:
- (i) **Free Listings:** For free or non-charged published directory listings credit shall be given at the rate of one times the monthly tariff rate for an additional or charge listing affected for the life of the directory or the charge period during which the error, mistake or omission occurs.
 - (ii) **Charge Listings:** For each additional or charge published directory listings, credit shall be given at the monthly tariff rate for each such listing for the life of the directory or the charge period during which the error, mistake or omission occurs
 - (iii) **Operator Records:** For free or charge listings obtainable from records used by the directory assistance operator, upon notification to the Company of the error, mistake or omission in such records by the subscriber, the Company shall be allowed a period of three business days to make a correction. If the correction is not made in that time, credit shall be given at the rate of 2/20ths of the basic monthly rate for the line or lines in question for each day thereafter that the records remain uncorrected.

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SECTION 1 – REGULATIONS (CONT'D)

1.5 Liability of the Company (cont'd)

1.5.7 With Respect to Directory Listings (cont'd)

- (iv) **Credit limitation:** The total amount of the credit provided for the preceding paragraphs (i) and (ii) shall not exceed, on a monthly basis the total of the charges for each charge listing as specified in paragraph (ii), for the line or lines in question.
- (v) **Definitions:** As used in paragraphs (i), (ii) and (iii) above, the terms "error," "mistake," or "omission" shall refer to a discrepancy in the directory listing or directory assistance records which the Company has failed to correct and where the error affects the ability to locate a particular subscriber's correct telephone number. The terms shall refer to addresses only to the extent that an error, mistake or omission of an address places the subscriber on a street or a community different from the one provided to the Company.
- (vi) **Notice:** Such allowances or credits as specified in paragraphs (i) and (ii) above, shall be given upon notice to the Company by the subscriber that such error, mistake or omission has occurred; provided, however, that when it is administratively feasible for the Company to have knowledge of such error, mistake or omission, the Company shall give credit without the requirement of notification by the subscribers.

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SECTION 1 – REGULATIONS (CONT'D)

1.5 Liability of the Company (cont'd)

1.5.8 With Respect to Caller ID Blocking

- A The Company shall have no liability for monetary damages (including without limitation claims for direct, indirect, special, incidental or consequential damages, whether or not the Company has been advised of the possibility of such damages), arising from any failures, errors, malfunctions or omissions of Caller ID Blocking, whether or not arising from or relating to any ordinary negligence by the Company.

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SECTION 1 – REGULATIONS (CONT'D)

1.6 Directory Listings

- 1.6.1 The Company will, as a service to the Customer, arrange for listing of Customer's phone number in the local white pages telephone directories, such listing to consist of one line of standard type. The Company's liability with respect to directory listings is set forth in Section 1.5.7 preceding. Customer must contact its yellow pages representative concerning its advertising in yellow pages directories.
- 1.6.2 When a Customer with a non-published telephone number, as defined herein, places a call to Emergency 911 Service, the Company will release the name and address of the calling party, where such information can be determined, to the appropriate local governmental authority responsible for the Emergency 911 Service upon request of such governmental authority. By subscribing to service under this tariff, Customer acknowledges and agrees with the release of information as described above.
- 1.6.3 In conjunction with a non-published telephone number, the Company will not be liable for failure or refusal to complete any call to such telephone when the call is not placed by number. The Company will try to prevent the disclosure of such telephone number, but will not be liable should such number be divulged.
- 1.6.4 The Company shall not be liable for any act or omission concerning the implementation of presubscription as defined herein.

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SECTION 1 – REGULATIONS (CONT'D)

1.7 Interruptions in Service

An interruption is deemed to have occurred when the phone lines of the underlying carrier are inoperative. If a Customer reports a facility, service or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

1.7.1 Temporary Suspension for Repairs

The Company's underlying provider shall have the right to make necessary repairs or changes in its facilities at any time and will have the right to suspend or interrupt service temporarily for the purpose of making the necessary repairs or changes in its system. When such suspension or interruption of service for any appreciable period is necessary, the Company will give the Customers who may be affected as reasonable notice thereof as circumstances will permit, and will perform the work with reasonable diligence, and if practicable at times that will cause the Customer the least inconvenience. When the Company's services are being repaired or changed, it shall take appropriate precautions to avoid unnecessary interruptions of Customer's service.

1.7.2 Credit Allowance for Interruptions

- A Interruptions of more than 24 hour periods which are reported to or detected by the Company, and which are not due to the negligence or willful act of the Customer are credited to the Customer at the pro rata monthly charge involved for each twenty-four hours or fraction thereof of interruption. Credit is not allowed for interruptions to service of less than 24 hours.
- B For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the monthly recurring charges specified thereunder for local line or local trunk service and is dependent upon the length of interruption. Only those facilities on the interrupted portion of circuit will receive a credit.

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SECTION 1 – REGULATIONS (CONT'D)

1.7 Interruptions in Service (cont'd)

1.7.3 Limitations on Credit Allowances

No credit allowances will be made for:

- (i) interruptions due to the negligence of, or non-compliance with the provisions of this Tariff by the Customer;
- (ii) interruptions which are restored on or before the day after the interruption is reported or discovered by the Company.

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SECTION 1 – REGULATIONS (CONT'D)

1.8 Obligations of the Customer

1.8.1 Customer Responsibility

The Customer shall be responsible for:

- (i) the payment of all applicable charges pursuant to this Tariff;
- (ii) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's services.

1.8.2 Claims

A With respect to any service provided by the Company, Customer shall indemnify, defend and hold the Company harmless from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorney's fees for:

- (i) Any loss, destruction or damage to property of the Company or any third party, or the death or injury to persons, including, but not limited to employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- (ii) Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

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SECTION 1 – REGULATIONS (CONT'D)

1.8 Obligations of the Customer (cont'd)

1.8.3 Station Equipment

The Customer is responsible for providing and maintaining any terminal equipment on the Customer premises. The electric power consumed by such equipment shall be provided by, and maintained at the expense of, the Customer. All such terminal equipment must be registered with the FCC under 47 C.F.R., Part 68 and all wiring must be installed and maintained in compliance with those regulations. The Company will, where practicable, notify the Customer that temporary discontinuance of the use of a service be required; however, where prior notice is not practicable, nothing contained herein shall be deemed to impair the Company's right to discontinue forthwith the use of a service temporarily if such action is reasonable under the circumstances. In case of such temporary discontinuance, the Customer will be promptly notified and afforded the opportunity to correct the condition which gave rise to the discontinuance, credit allowance for service interruptions as set forth in Section 1.7.2 is not applicable.

1.8.4 Interconnection of Facilities

- A Any special interface equipment necessary to achieve compatibility between the facilities used by the Company for furnishing local exchange service and the channels, facilities, or the equipment of others may be provided at the Customer's expense. Customer shall be liable for damages resulting from Customer's use of non-compatible equipment.
- B Local services may be connected to the services or facilities of other communication carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communication carriers which are applicable to such connections.
- C Services furnished under this tariff may be connected to Customer provided terminal equipment in accordance with the provisions of this tariff.

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SECTION 1 – REGULATIONS (CONT'D)

1.8 Obligations of the Customer (cont'd)

1.8.5 Inspections

- A Upon reasonable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in this tariff for the installation, operation, and maintenance of Customer-provided facilities and equipment to Company-provided facilities. No credit will allowed for any interruptions occurring during such inspections.
- B If the protective requirements for the Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice the customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the Customer's equipment must meet.

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SECTION 1 – REGULATIONS (CONT'D)

1.9 Payment Arrangements

The Customer is responsible for payment of all charges for services furnished by the Company to the Customer or its Authorized Users. Objections must be received by the Company within a reasonable period of time after receipt of bill, or all the charges shall be deemed correct and binding upon the Customer. If an entity other than the Company imposes charges of the Company, in addition to its own internal costs, in connection with a service for which a Company non-recurring charge is specified, those charges may be passed on to the customer.

1.9.1 Taxes and Surcharges

The Customer is responsible for the payment of any sales, use, excise, access or other local, state and federal taxes, charges or surcharges (however designated) excluding taxes on the Company's net income imposed on or based upon the provision of local exchange service, all of which shall be separately designated on the Company's invoices. Any taxes or surcharges imposed by a local jurisdiction (e.g. county and municipal taxes) will only be recovered from those Customers located in the affected jurisdictions. It shall be the responsibility of the Customer to pay any such taxes that subsequently become applicable retroactively.

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SECTION 1 – REGULATIONS (CONT'D)

1.9 Payment Arrangements (cont'd)

1.9.2 Bills and Collection of Charges

- A Bills will be rendered monthly to Customer. Fixed monthly recurring charges are billed in advance. Usage charges and minimum charges for service are billed in arrears. Customer shall be liable for all accrued local charges, directory charges, long distance charges and other charges arising prior to the service commencement date, as defined herein, and shall pay the Company for any such charges which may be assessed against the Company in any manner.
- B All service, installation, monthly recurring charges and non-recurring charges are due and payable upon receipt.
- C For new customers or existing customers whose service is disconnected, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.
- D Amounts not paid within 30 days after the date of invoice are considered past due. A late payment charge of 1.5%, or lower if required by law, per month shall apply to amounts shown on a monthly bill which remain after the due date. The late payment charge does not apply to any taxes the Company is required by law to levy on a customer. In the event the Company incurs fees or expenses, including attorney's fees, in collecting or attempting to collect any charges owed the Company, the Customer will be liable to the Company for payment of all such fees and expenses reasonably incurred.
- E A \$15.00 charge will be assessed for checks with insufficient funds or non-existing accounts.
- F If Customer chooses to place calls or receives calls via a non-Matrix Telecom affiliated carrier, the Company will not be liable for any charges related to such calls.

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SECTION 1 – REGULATIONS (CONT'D)

1.9 Bills and Collection of Charges (cont'd)

1.9.3 Disputed Bills

- A The Customer shall notify the Company of any disputed items on a bill within a reasonable period of time after receipt of the bill. The existence of a disputed amount does not relieve the customer of their obligation to pay current charges. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Commission in accordance with the Commission's rules of procedure.
- B The date of the dispute shall be the date the Company receives sufficient documentation to enable it to investigate the dispute.
- C The date of the resolution is the date the Company completes its investigation and notifies the Customer of the disposition of the dispute.
- D If after investigation and review by the Company, a disagreement remains as to the disputed amount, the customer may file an appropriate complaint with:

Public Utilities Commission of Nevada
1150 E. William Street
Carson City, NV 89701-3109
(775) 684-6101
Fax (775) 684-6110

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SECTION 1 – REGULATIONS (CONT'D)

1.10 Discontinuance of Service

The discontinuance of service by the Company pursuant to this section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished during the time of or up to discontinuance of service.

Upon the Company's discontinuance of service to Customer pursuant to this section, all applicable charges, including termination charges, shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff.

1.10.1 Discontinuance of Service by the Company

- A The Company may discontinue or suspend service to Customer without prior written notice without incurring liability for the following reasons:
- (i) The existence of an obvious hazard to the safety or health of the consumer or the general population or the Company's personnel; or
 - (ii) The Company has evidence of tampering or evidence of fraud.

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SECTION 1 – REGULATIONS (CONT'D)

1.10.1 Discontinuance of Service by the Company (cont'd)

- B The Company may discontinue or suspend service to Customer upon no less than 5 days written notice without incurring liability for the following reasons:
- (i) Customer violation of any of the provisions of this tariff, and/or violation of the Commission's rules and regulations;
 - (ii) Failure to pay a bill for service;
 - (iii) Failure to meet or maintain the Company's credit and deposit requirements;
 - (iv) Failure of the Customer to provide the Company reasonable access to its equipment and property;
 - (v) Customer breach of contract for service between the Company and the customer;
 - (vi) When necessary for the utility to comply with an order of any governmental agency having such jurisdiction;
 - (vii) Unauthorized resale of service.

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SECTION 1 – REGULATIONS (CONT'D)

1.10 Discontinuance of Service (cont'd)

1.10.2 Discontinuance of Service by Customer

- A If Customer cancels a service order or terminates service before the completion of the term for any reason whatsoever other than a service interruption (as defined in 1.7), Customer agrees to pay to Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in this tariff, all costs, fees, and expenses incurred in connection with:
- (i) all non-recurring charges reasonably expended by Company to establish service to Customer, plus
 - (ii) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus
 - (iii) all recurring charges specified in the applicable service order tariff for the balance of the then current term.

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SECTION 1 – REGULATIONS (CONT'D)

1.10 Discontinuance of Service (cont'd)

1.10.3 Cancellation of Application for Service

- A Where, prior to cancellation by Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.
- B Applications for service may be cancelled prior to the start of service or prior to any special construction. No charges will be imposed except for those specified above.
- C The special charges described above will be calculated and applied on a case-by-case basis.

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SECTION 1 – REGULATIONS (CONT'D)

1.11 Restoration of Service

When Customer's service has been disconnected in accordance with this tariff and the service has been terminated through the completion of a Company service order, service will be re-established only upon the basis of an application for new service.

1.12 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties (i) to any subsidiary, parent Company affiliate of the Company; (ii) pursuant to any sale or transfer of substantially all the assets of the Company; or (iii) pursuant to any financing, merger or reorganization of the Company.

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SECTION 1 – REGULATIONS (CONT'D)

1.13 Notices and Communications

- A The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- B The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate an address on the bill for service to which the Customer shall mail payment for that bill.
- C All notices or other communications required to given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall have been presumed to have been delivered to the party on the third business day following the deposit of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- D The Company or Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

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SECTION 1 – REGULATIONS (CONT'D)

1.14 Promotional Offers

The Company may, from time to time, make promotional offerings of its services. The promotional offerings may be limited as to the duration, the date and times of the offering and the locations where the offerings are made.

1.15 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide request or prospective Customer to develop a competitive bid for a service not generally offered under this tariff. ICB rates will be offered to the Customers in writing and on a non-discriminatory basis.

1.16 Customer Service

Customer service personnel are available twenty-four (24) hours a day, seven days a week and may be reached toll-free.

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SECTION 2 – SERVICE DESCRIPTIONS

2.1 Local Service

2.1.1 General

A Matrix Telecom, Inc.'s local service enables the Customer to:

- (1) receive calls from other stations on the public switched telephone network;
- (2) place calls to other stations on the public switched telephone network;
- (3) access the Company for service related assistance; access directory assistance for the local calling area; access toll free telecommunications services; access enhanced 911 services for emergency calling; access Telephone Relay Service; and
- (4) access the interexchange network. A Customer may presubscribe to the carrier of their choice for interLATA and intraLATA calling, or Customer may access a provider on an *ad hoc* basis by dialing the provider's Carrier Identification Code (10XXX).

B The local calling area will be the same as that used by the incumbent local exchange company, a description of which can be found in the telephone directory published by the incumbent local exchange company.

C Service will be offered in the service areas in which the Company has been certified by the Nevada Public Service Commission.

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SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.2 Features

2.2.1 General

The following features will be available on all lines. Not all features are compatible with certain key sets and PBX systems.

A Call Forward

This optional feature allows all calls directed to a telephone number to be routed to a user defined telephone number. The user is charged any applicable usage charges for the re-routed call. The user can activate/deactivate Call Forward and define a telephone number where all calls will be forwarded. Calls cannot be forwarded to an International Direct Distance Dialing (IDDD) number.

B Call Forward Busy Line

This optional feature forwards calls to a busy station to a predetermined number. Calls cannot be forwarded to an International Direct Distance Dialing (IDDD) number. The user is charged any applicable usage charges for the forwarded call.

C Call Forward Don't Answer

This optional feature allows users to re-route a call to a predetermined station in the event that the call is not answered within a customer-specified number of rings. Users are charged for any applicable usage charges on the forwarded call.

D Call Return

Allows a customer to automatically redial the telephone number of the last incoming call to that line, regardless of whether the call was answered, unanswered, or busy. After the recall is activated, and unless the number is blocked as described below, an announcement of the number is provided to the customer, who then has the choice of either continuing the recall by entering a code, or terminating the recall by hanging up. If the redialed number is busy, a distinctive ring alerts the customer when the number becomes available. If the telephone number of the last incoming call has been blocked through the use of a service such as Caller ID Blocking, the number cannot be redialed.

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SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.2 Features

2.2.1 General

E **Call Trace**

Call Tracing allows for the identification and recording of the telephone numbers of some or all of the incoming calls to the telephone line of a customer.

F **Call Transfer**

Allows Customer to transfer an incoming call to a third party or to add a third party to an existing call, forming a three-party connection. The original party can then leave the call without disconnecting the other parties. Calls can be transferred to any number in the North American Dialing Plan (1-NPA-NXX-XXXX type numbers).

G **Call Waiting**

Provides a tone to notify customer on an existing call that a second call is waiting.

H **Caller ID**

Allows for the automatic delivery of a calling party's number to the called customer. The telephone number is displayed on customer-provided equipment.

I **Continuous Redial**

Allows a customer to automatically redial the last telephone number dialed. If the called number is busy, the number is redialed for a limited period of time.

J **Direct Connect Line**

Allows a customer to automatically dial a pre-designated number whenever the originating telephone goes off-hook. This feature is assigned to a phone which is used only for this purpose.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

2.2 Features

2.2.1 General

K Hunting

This optional feature routes a call to an idle line in a prearranged group when the called telephone number is busy. Typically this feature is used with the customer's main telephone number and several subtending lines so that the customer can receive calls on several lines, although all calls are placed to the same number. Hunting will not work with Call Forward Busy and Don't Answer

L Remote Call Forward

Allows the Customer to automatically forward calls from one telephone number to another. The Customer is charged any applicable usage charges on the forwarded call.

M Third Number/Collect Blocking

Allows a Customer to block calls from being billed to individual stations, either on a third-number basis, or on a collect basis.

N Three Way Calling

Allows a user to add a third party to an existing conversation without expensive conferencing equipment. This feature also allows a user to place a call on hold in order to make a consultation call on the same line. When the consultation call is completed the user hangs-up or depresses the flash key on the telephone and is reconnected to the original conversation.

O Toll Blocking

Allows the user to restrict long distance outgoing calls on each line equipped.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

2.2 Features (cont'd)

2.2.2 Terms and Conditions

- A Per call blocking and unblocking shall be offered at no charge. Per line blocking shall be offered at no charge for the first request of each Customer. Domestic violence programs and law enforcement agencies shall always be offered per line blocking at no charge.
- B The results of a call trace will be furnished only to law enforcement agencies or authorities upon proper request by them.
- C Disclosure of telephone number may occur when caller subscribes to Caller Identification or Automatic Call Back. Call blocking, on either a per call or per line basis, prevents the delivery of this information.

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SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.3 Directory Listings

2.3.1 Description

Directory listings will be provided in accordance with Section 1.6 of this tariff. The following types of listings are available:

- A **Primary Listing.** A primary listing contains the name of the Customer, or the name under which business is regularly conducted, as well as the address and telephone number of the Customer. Primary listings are provided at no charge;
- B **Additional Listings.** Additional listings are available only in the names of Authorized Users of the Customer's service, as defined herein;
- C **Non-Published Listings.** Non-published listings are not printed in directories nor are they available from directory assistance. Non-published listings are subject to the provisions set forth in Sections 1.2 and 1.6;
- D **Non-Listed Numbers.** Non-listed numbers are those which provide for the omission or deletion of the Customer's listing from the telephone directory. Such listings are available from directory assistance;
- E **Foreign Listings.** A foreign listing is one which is published in a directory not in the Customer's immediate calling area.
- F **Extra Line Listings.** Provides additional information after a main or additional listings.
- G **Cross Reference Listing.** This provides a reference to another listing in the same directory.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

2.4 Directory Assistance

2.4.1 Description

The Customer may access Directory Assistance for the purpose of determining phone numbers within its local calling area by calling the Directory Assistance Operator. A maximum of two number requests per call will be allowed.

2.4.2 Directory Assistance Credits

A Credit will be given for calls to Directory Assistance as follows:

- 1 The Customer experiences poor transmission or is cut-off during the call; or
- 2 The Customer is given the incorrect telephone number.

B To obtain credit, the Customer must contact their Customer Service representative.

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SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.5 Operator Services

2.5.1 General

The Customer has the option of contacting the incumbent local exchange company operator for general information, such as dialing instructions, country or city codes, area code information and Customer Service 800 numbers. The Customer may obtain the assistance of an incumbent local exchange operator to complete local exchange telephone calls in the following manner:

- A **Third Party Billing.** Provides the Customer with the ability to charge a local call to a third number which is different from the called or calling party. The party answering at the third number has the option to refuse acceptance of the charges in advance or when queried by the operator.
- B **Collect Calls.** Provides the Customer with the capability to charge a call to the called party. On the operator announcement of a collect call, the called party has the option to refuse acceptance of charges in advance or when queried by the operator.
- C **Person to Person.** Calls completed with the assistance of an operator to a particular Station and person specified by the caller. The call may be billed to the called party.
- D **Station to Station.** Calls completed with the assistance of an operator to a particular Station. The call may be billed to the called party.
- E **Busy Line Verification.** Provides the customer with the verification that a line is busy and not otherwise disrupted.
- F **Busy Line Interrupt.** Provides the customer with the option of interrupting a line that has been verified to be busy.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

2.6 Presubscription

A Customer may presubscribe to the intraLATA and/or interLATA carrier of their choice for long distance calling.

2.7 Service Restoration Charge

When service has been discontinued in accordance with the provisions of this tariff, and Customer wishes to restore service, a Service Restoration Charge will apply.

2.8 Vanity Number

When a customer requests a specific number (e.g. 555-TOYS), and the number is available, a charge will apply when the Company provides the service of retrieving and providing said number.

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SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.9 Direct Inward Dial (DID) Service¹

2.9.1 DID Service is an optional feature which can be purchased in conjunction with Company-provided PBX trunks. DID Service transmits the dialed digits for all incoming calls allowing the Customer's PBX to route incoming calls directly to individual stations corresponding to each individual DID number. Charges for DID central Office termination and DID number blocks apply in addition to charges specified for PBX Trunks. One additional termination charge applies for each DID-equipped PBX Trunk. Telephone numbers are furnished in blocks of 20. Blocks of number groups will be determined at the sole discretion of the Company's resources. Whenever possible, the Company will attempt to provide telephone numbers arranged consecutively in a group, but will not guarantee nor accept responsibility for provision of such an arrangement within or between a block of numbers. In addition, the Company reserves the right to review vacant DID stations or stations not in use to determine efficient telephone number utilization. Should the Company determine, based on its own discretion, that there is inefficient number utilization, the Company may reassign the DID numbers.

¹ Where all numbers in a group have not been connected for service, the Customer is responsible for providing interception of calls to vacant or non-working assigned station lines or telephone numbers by means of attendant intercept or recorded announcement service. The Company will not terminate these numbers to an intercept message on the Customer's behalf.

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SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.10 Moves, Adds and Changes

2.10.1 Non-recurring Installation Charges as described in Sections 4 & 5 of this tariff will be applied per line when a Customer moves to a new address within the same local exchange.

2.10.2 Non-recurring charges as described in Sections 4 & 5 of this tariff will be applied per line when a Customer requests any changes or additions to an existing account.

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SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.11 Measurement of Service

2.11.1 When charges for calls are mileage sensitive, airline mileage is computed as described below. Calls are measured and rounded to the higher full minute from the serving wire center of the Customer's originating location to the serving wire center of the destination of the call, regardless of Company routing. The distance between the serving wire center origination point and that of the destination point is calculated by using the "V" and "H" coordinates as defined by Bell Communications Research (BellCore) and NECA Tariff FCC No. 4 in the following manner:

Step 1 Obtain the "V" and "H" coordinates for the originating and terminating wire centers.

Step 2 Obtain the difference between the "V" coordinates of each of the serving wire centers. Obtain the difference between the "H" coordinates.

Step 3 Square the differences obtained in Step 2.

Step 4 Add the squares of the "V" difference and "H" difference obtained in Step 3.

Step 5 Divide the sum of the squares obtained in Step 4 by ten (10). Round to the next higher whole number, if any fraction results.

Step 6 Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number, if any fraction is obtained. This is the airline mileage of the call.

Formula:

$$\sqrt{\frac{(V_1V_2) + (H_1H_2)}{10}}$$

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SECTION 3 - PRICE LIST – BUSINESS SERVICES

3.1 Business Service Monthly Recurring Charge

<u>Business Line Plan</u>	<u>Local Only</u>	<u>plus Long Distance¹</u>
Rate Group 1	<u>TBD</u>	<u>TBD</u>
Rate Group 2	<u>TBD</u>	<u>TBD</u>

3.2 Initial Service Conversion Charge

<u>TBD</u>	first line, non-recurring
<u>TBD</u>	each additional line

3.3 Installation Charge

<u>TBD</u>	per line, non-recurring
------------	-------------------------

¹ When a Customer chooses to use the Company's Long Distance in addition to its local service, the Customer receives a \$7.00 subsidy on local service.

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**SECTION 3 - PRICE LIST – BUSINESS SERVICES
(CONT)**

3.4 Features – Business Line

	Non Recurring	Monthly Recurring	Per Usage
	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>
Call Return	N/A	N/A	TBD
Continuous Redial	N/A	N/A	TBD
Call Trace	N/A	N/A	TBD
Three Way Calling	TBD	TBD	TBD
Caller ID	TBD	TBD	N/A
Call Forward	TBD	TBD	N/A
Call Forward Busy Line	TBD	TBD	N/A
Call Forward Don't Answer	TBD	TBD	N/A
Call Forward Busy Line/Don't Answer	TBD	TBD	N/A
Call Waiting	TBD	TBD	N/A
Hunting	TBD	TBD	N/A
Speed Dial	TBD	TBD	N/A
Expanded Speed Dial	TBD	TBD	N/A
3 rd # Billed/Collect Blocking	TBD	TBD	N/A
Ground Start	TBD	TBD	N/A
Change Call Blocking	TBD	TBD	N/A
Change Class Blocking	TBD	TBD	N/A
Per Use Blocking	TBD	TBD	N/A
Toll Blocking	TBD	TBD	N/A
Vanity Number	TBD	TBD	N/A

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**SECTION 3 - PRICE LIST – BUSINESS SERVICES
(CONT)**

3.5	<u>Directory Listings</u>	Monthly Recurring Charge	Non - Recurring Charge
	Primary Listing	TBD	TBD
	Additional Listing	TBD	TBD
	Cross Reference Listing	TBD	TBD
	Extra Line Listing	TBD	TBD
	Foreign Listing	TBD	TBD
	Non-Published Listing	TBD	TBD
3.6	<u>Local Directory Assistance</u>		
	\$ TBD per call		
3.7	<u>Directory Assistance Call Completion</u>		
	\$ TBD per call ³		

³ Provided where facilities permit.

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**SECTION 3 - PRICE LIST – BUSINESS SERVICES
(CONT)**

3.8 Operator Services

	surcharge	per minute charge
Third Party Billing	TBD	TBD
Collect	TBD	TBD
Person to Person	TBD	TBD
Busy Line Verification	TBD	N/A
Busy Line Verification w/Interrupt	TBD	N/A

3.9 Presubscription

A Customer may change their intra and/or interLATA long distance carrier. The Customer will incur a TBD per line, per occurrence charge. A single occurrence can include a change of both the intraLATA and interLATA carriers.

3.10 Moves, Adds and Changes

Non-recurring charges as shown in this Section 3 - Price List, will be applied when Customer requests moves, adds and/or changes to existing service arrangements.

3.11 Service Restoration Charge

TBD per occurrence

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**SECTION 4 - PRICE LIST – BUSINESS SERVICES
(CONT)**

3.12 Service Change Charge

TBD per occurrence

3.13 Intercept Service

When a switching arrangement for an individual customer (a single line or entire hunt group) is discontinued at an end office, an intercept announcement is provided. This arrangement provides, for ninety (90) days, an announcement that the service associated with the number dialed has been disconnected. There is no charge for this service.

3.14 Time and Material Charges

TBD

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