

INTERSTATE AND INTERNATIONAL LONG DISTANCE SERVICE

TERMS AND CONDITIONS

Applicable to

LONG DISTANCE TELEPHONE SERVICE

of

Audeamus
(Name of Utility)

dba

Sebastian

811 South Madera Avenue, Kerman, California 93630
(Mailing Address)

Operating in (or Near)

Kerman, Fresno County & Foresthill, Placer County
(City or Town and/or County)

These terms and conditions are the effective rates and rules of this Company.

Service will be furnished in accordance with these terms and conditions and no officer, employee, or representative of the Company has any authority to waive, alter, or amend these schedules or any part thereof in any respect. All inquiries may be directed to David Clark at 800-841-9311 or 559-846-6277.

1. **APPLICATION**

1.1 These terms and conditions of service apply to specialized switching services furnished by Sebastian, hereinafter referred to as the "Company", with its principle address at 811 S. Madera Avenue, Kerman, California 93630, for the provision of Interstate Telecommunications Service for communications initiated from locations between and among domestic points in the United States and territories, and international points specified herein. Service is furnished subject to the availability of facilities and subject to transmission, atmospheric and like conditions by wire, cable, radio and/or a combination thereof. By accepting service from the Company, the customer accepts these terms and conditions as a binding agreement between the Customer and the Company. Changes to these terms and conditions may be made by the Company upon thirty (30) days written notice to the Customer. Use of the Company's service after the thirty (30) days notice shall be construed as the customer's agreement to the changed terms and conditions.

2. **DEFINITIONS**

The following definitions apply for certain terms used generally throughout the terms and conditions herein:

Access Code: A sequence of numbers that, when dialed, connect the caller to the provider of operator services associated with that sequence.

Access Line: A communication channel which is used for access to a Company service point.

Application for Service: A standard order form that includes all pertinent billing, technical, and other descriptive information, which will enable the carrier to provide the communication service as required.

Authorization Code: A multi-digit code which enables a Customer to access Company's network and enables the Company to identify the use of proper billing.

Authorized User: A person, firm, corporation, or other legal entity which is authorized by the Customer to be connected to the service of the Customer. An Authorized user(s) must be named in the application for service.

Automatic Numbering Identification (ANI): A type of signaling provided by a carrier from which a call originates.

Billed Party: The person or entity responsible for payment of the Company's service, as follows:

For an Operator Assisted Call:

- a. in the case of a Calling card or Credit Card call, the holder of the calling card or credit card used by the Consumer;

- b. in the case of a Collect or Third Party call, the one responsible for the local telephone service at the telephone number that agrees to accept charges for the call; and
- c. in the case of a Room Charge call, the Subscriber.

For a Direct Dial Call:

Direct dial calls are billed to the originating line's number.

Billing Period: The interval between Customer invoice to Customer invoice which shall consist of approximately 30 days.

Business Service: The phrase "Business Service" means telecommunications service provided to the Customer for use primarily or substantially for a business, professional, institutional or other occupational purpose.

Calling Card Call: A call for which charges are billed, not to the originating telephone number, but to a telephone calling card issued by a local exchange or long distance telephone Company for this purpose.

Cancellation of Order: A Customer initiated request to discontinue processing a service order, either in part or in its entirety, prior to its completion.

Channel: The path for electrical transmission between two or more points.

Collect Call: A billing arrangement which bills the charge for a long distance call to the called station's telephone number. The person agreeing to accept the call, whether or not they are a presubscribed customer of the Company shall be responsible for all charges related to the call. Regardless of whether the person is a Customer of the Company or the individual receiving such a collect call shall be subject to the provisions of the terms and conditions herein which are applicable to the call accepted.

Commission: The Federal Communications Commission.

Company: Audeamus, dba Sebastian.

Connecting Carrier: A telecommunications Company, which may be either an interexchange or a local exchange carrier, that supplies the Company with facilities to originate or terminate the Company's long distance services.

Consumer: The term consumer means a person initiating any telephone call using operator services.

Customer: The Customer is the person, firm, corporation or other legal entity which: orders, cancels or amends service; is responsible for the payment of charges; and is responsible for compliance with all the Company terms and conditions herein.

Customer-Dialed Calling Card Call: A Calling Card Call which does not require intervention by an attended operator position to complete.

Customer-Provided Facilities: All facilities, including those obtained from other communications common carriers, provided by the Customer and/or authorized user, other than those provided by the Company.

Disconnection: The disconnection of a circuit, dedicated access line or port connection being used for existing service.

Domestic Interstate Message Telecommunications Service: The term “Domestic Interstate Message Telecommunications Service” denotes the furnishing of direct dial and operator assisted domestic interstate switched network services to the Customer for the Completion of long-distance voice and dial-up low-speed data transmissions over a voice-grade channel between and among points within the United States and specified territories.

End User: An individual or entity designated by the consumer to be responsible for the payment of calls placed using the Company’s Services.

Equal Access Office: Switch operated by the Company equipped with the hardware and software required to allow the customers to presubscribe to the interexchange carrier of their choice.

Equal Access Code: An access code that allows the consumer to obtain an equal access connection to the carrier associated with that code.

FCC: Federal Communications Commission.

Holiday: One of the following Federally recognized Holidays: Independence Day, Memorial Day, Labor Day, Thanksgiving Day, Christmas Day, New Year’s Day.

Initial Minute: The rate element used to bill for the first chargeable minute, or fraction thereof, of a call.

Local Access Transport Area (LATA): A geographic area established for the provision and administration of communications service. It encompasses one or more designated exchanges, which are grouped to serve common social, economic and other purposes.

Local Exchange Area: The term “Local Exchange Area” denotes a unit established by the company for the administration of communications services in a specified area which usually embraces a city, town, or village and its environs. Specific definitions of the Company local exchange areas are available upon request.

Local Exchange Carrier (LEC): A Company which provides telecommunications service within a local exchange LATA.

Local Time: The time observed, standard or daylight savings, at the rate center associated with the originating point of the call.

Measured Charge: A charge assessed on a per-minute basis in calculating a portion of the charges due for a completed Operator-Assisted, Direct-Dial, Credit Card or Third-Party Call.

Measured Service: The provision of intrastate long distance measured time communications telephone service to Customers who access the Company's service at its switching and call processing equipment by means of access facilities obtained from a local exchange carrier. The Company is responsible for arranging for the access line.

Message: Represents an interexchange toll call for which appropriate charges shall be assessed.

Mileage Rate Band: Mileage interval used to establish rates for the Company services.

Normal Business Hours: Normal business hours are represented by the period between 8:00 a.m. and 5:00 p.m., Monday through Friday, excluding holidays.

Operator-Assisted Call: An interstate telephone connection completed through the use of the Company's Operator Services.

Operator Service Charge: A non-measured (fixed) surcharge which is added to a measured charge in calculating the total charges due for a completed Operator-Assisted Call.

Operator Services: Any telecommunications service that includes, as a component, any automated or live assistance afforded to a consumer to arrange for the billing and/or completion of a telephone call that is specified by the user through a method other than:

- * Automatic Completion with billing to the telephone from which the call originated;
- * Completion through an access code or a proprietary account number used by the consumer, with billing to an account previously established with the carrier by the consumer; or
- * Completion in association with directory assistance services

Other Communications Common Carrier: A government-regulated entity offering communications services to the public.

Premises: All buildings occupied by the Customer and/or his authorized user on a contiguous property (except railroad right of way, etc.) not intersected by a public road.

Presubscribed Provider of Operator Services: The Provider of Operator Services to which the Consumer is connected when the Consumer places a call using a Provider of Operator Services without dialing an access code.

Responsible Organization (Resp. Org.): The carrier entity that has responsibility for the management of 800 numbers in the Service Management System (SMS) including maintaining Customer records in the SMS system. Also, the entity which accesses the SMS to: a) search for and reserve 800 numbers; b) create and maintain 800-number Customer records, including call processing records; and c)

provides a single point of contact for trouble reporting. The SMS recognizes one Resp. Org. for each 800 number.

Service: Service means any or all service(s) provided pursuant to the terms and conditions herein.

Service Points: Those cities from which the Company makes its services available to its customers.

Special Promotional Offering: Special discounts or modifications of the company's regular service offerings which may, from time to time, be offered to its Customers for a particular service. Such offerings may be limited to certain dates, times, and locations.

Station: Any location from which a message can be originated or received.

Station-to-Station Call: A call placed to a telephone number, with the understanding that the caller will speak to any person who answers the called number.

Subscriber: A person or other entity that selects a telecommunications Company to be the Presubscribed Provider of Long Distance Services for one or more locations within that person or entity's control.

Subscription Agreement: A standard form which includes all pertinent billing, technical, and other descriptive information which will enable the Company to provide the long distance service required.

Switch: A local Telephone Company switching system where Telephone Exchange Service customer station loops are terminated for purposes of interconnection to each other and to trunks through electronic services which are used to provide circuit routing and control.

Switched Access Service: Provides the ability to originate and terminate calls between two end user's premises over facilities of the Telephone Company.

Telecommunications: The transmission of voice communications or, subject to the transmission capabilities of the service, the transmission of data, facsimile, signaling, metering, or any other form of intelligence over dedicated or switched facilities.

Third-Party Call: A call for which charges are billed, not to the originating telephone number, but to a third-party telephone number which is neither the originating nor the terminating telephone number.

Vertical Features: Services such as call validation, "Plain Old Telephone Service" (POTS) number translation, and provision of statistical information on the Customer's 800 traffic, which may be obtained by the Company from local Exchange Company access tariffs on behalf of 800 Service Customers for which the Company serves as Resp. Org.

Weekday: One of the normal business days of the week, Monday through Friday,

excluding Holidays and Weekend periods.

Weekend: The period from 11 p.m. Friday to, but not including 8 a.m. Monday.

WATS: Wide Area Telecommunications Service.

3. GENERAL RULES

3.1 UNDERTAKING OF THE COMPANY

3.1.1 General

3.1.1.1 The services furnished herein are for the transmission and reception of voice, data and other types of communications. Services provided pursuant to these terms and conditions may be utilized only for the transmission of communications by Customers, consistent with the terms herein.

3.1.1.2 Subject to unavoidable network interruptions, the Company shall endeavor to provide services and facilities 24 hours a day, 7 days a week.

3.1.2 Availability

3.1.2.1 Service is offered subject to the availability of the necessary facilities and/or equipment of the Company and/or the Local Exchange Carrier serving the customer. The Company reserves the right to provide services to and from locations where the necessary facilities and/or equipment are available.

3.1.2.2 The Company reserves the right to suspend service or delay service installation until sufficient network facilities are available to meet the anticipated traffic demand, or terminate a service request with a full refund of any charges billed to the Customer if satisfactory arrangements cannot be concluded within what the Company determines to be a reasonable amount of time.

3.2 USE OF SERVICE

3.2.1 Services furnished by the Company may not be used for any unlawful purpose.

3.2.2 No restrictions apply on sharing or resale of services. The Customer remains liable for all obligations under the terms and conditions herein notwithstanding such sharing or resale and regardless of the Company's knowledge of same.

3.2.3 Use of the services herein in a manner that could interfere with the

services provided to other Customers, or harm the facilities of the Company or others is prohibited.

3.2.4 In the event that the Company determines, based upon its sole judgment, that there is fraudulent use of either the services furnished by the Company or the Company's network, the Company will without liability to the Customer discontinue service and/or seek legal recourse to recover from the Customer all costs involved in enforcement of this provision.

3.2.4.1 Service may be discontinued by the Company, without notice to the Customer, by blocking traffic to or from certain cities or NXX exchanges, or by blocking calls using certain Customer authorization codes, such as calling card codes, which the Company deems, in its sole judgment, is necessary to prevent unlawful use of its services. The Company will restore service as soon as it can be provided without undue risk.

3.2.4.2 Without incurring any liability, the Company may discontinue the furnishing of service(s) to a Customer immediately and without notice if the Company deems, in its sole judgment, that such action is necessary to prevent or protect against fraud or to otherwise protect its personnel, agents, facilities or services.

3.2.4.3 The Company may, but is not required to, advise the Customer of abnormal calling patterns or other possible unauthorized use of facilities or calling cards assigned to the Customer. Additionally, the Company may, but is not required to, block calls on authorization codes the Company believes to be unauthorized or fraudulent.

3.2.5 If a Customer utilizes a dedicated access line between the Customer's premises and the Company's service office for the origination or termination of calls, the Customer is responsible for payment of all charges for usage over that access line, including any usage which may be fraudulent or unauthorized.

3.2.6 With the use of the Company authorization codes, the Customer agrees to pay the Company all charges incurred as a result of any delegation of authority, whether authorized or unauthorized, from the use of its Company authorization codes.

3.3 OBLIGATIONS OF THE COMPANY

3.3.1 Liability

Except as provided in this Section, the Company's liability for any

claim, loss, expense or damages of any kind, whether direct, indirect, special or consequential, arising from, or in any way attributable to, acts or omissions of the Company relating to the installation, provision, termination, maintenance, repair, restoration, or billing of any service, feature or option available under these terms and conditions shall not exceed an amount equal to the monthly recurring charge to the Customer for one (1) month, if any, or as otherwise set forth in the outage credit provisions of the terms and conditions herein provided, however, that:

- 3.3.1.1 The Company is not liable for any failure of facilities or performance of services due to causes beyond its control, including, not limited to, civil disorder, fire, flood, storm or other natural or man-made disasters or elements, labor problems or regulations issued by or action taken by any government agency having jurisdiction over the Company or its services or equipment.
- 3.3.1.2 The Company shall have no liability to any person or entity other than its Customer.
- 3.3.1.3 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against the following:
 - a. Any claim, loss, expense or damage (including, but not limited to, reasonable attorney's fees and expenses) for engaging in a criminal enterprise, defamation, libel, slander, invasion of privacy, infringement of copyright or patent, arising from, or in connection with, the material, data, information, or other content transmitted over the services or facilities furnished by the Company.
 - b. Any claim, loss, expense or damage (including, but not limited to reasonable attorney's fees and expenses) for any act or omission of the Customer or its agents and contractors, or due to the failure of Customer-provided equipment, facilities, systems or services; and/or
 - c. Any claim, loss, expense or damage (including, but not limited to, reasonable attorney's fees and expenses) for personal injury or death of any person caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use or removal of equipment or wiring provided by the Company, if not caused by gross negligence of the

Company.

- d. Any use by the Customer of the Company's products or services which use has been restricted or limited by action of a government agency having jurisdiction over the Customer, the Company or its products or services.
- 3.3.1.4 All or a portion of the service provided pursuant to these terms and conditions may be provided over facilities of third parties, and the Company shall not be liable to the Customer or any other person, firm or entity in any respect whatsoever arising out of errors or defects caused by such third parties.
- 3.3.1.5 Where any claim arises out of the Company's acting as a Resp. Org. or where the Company's Services are not made available on the date committed to the Customer, or cannot otherwise be made available after the Company's acceptance of the Customer's order, or is provided with a number(s) other than the one(s) committed by the Company to the Customer, or the number(s) is not included in the Directory Assistance or is included in an incorrect form, or Vertical Features are not obtained or are obtained in error, and any such failure(s) is due solely to the negligence of the Company, in such case the Company's liability, if any, is limited to the lesser of (a) the actual monetary damages incurred and proved by the Customer as the direct result of such failure(s), or (b) the sum of \$1,000.00.
- 3.3.1.6 The Company shall not be liable for the use, misuse or abuse of a Customer's service by third parties, including, without limitation, the Customer's employees or members of the public who dial the Customer's telephone number in error. Compensation for any injury the Customer may suffer due to the fault of others must be sought from such other parties.
- 3.3.1.7 Notwithstanding Section 3.3.1.4, in the event that the Company causes the misrouting of calls, the Company's sole liability shall be to provide a credit equal to the charges for the affected calls.
- 3.3.1.8 The Company reserves the right to immediately suspend or cancel without advance written notice and without any liability whatsoever, the provision of any service(s) to any Customer if the Company determines in its sole discretion that the Customer is using the service(s) to make or permit any telephone

facility under such Customer's control to be used for any purpose or activity, including, but not limited to, any obscene, indecent or harassing purpose or activity, prohibited by Section 223 of the Communications Act of 1934, as amended, and 800 calls placed with the intent of gaining access to a Customer's outbound calling services without authorization from the Customer.

3.3.1.9 The Company is not liable for any damages, including toll usage charges, the Customer may incur as a result of the unauthorized use of its telephone facilities.

3.4 ASSIGNMENT

3.4.1 The Customer may not assign or transfer to a third party, whether by operation of law or otherwise, the right to use the services provided under these terms and conditions, provided however, that where there is not interruption of use or relocation of the services, such assignment or transfer may be made to the following:

- (a) Another Customer of the Company, provided that the assignee or transferee assumes all accrued and unpaid obligations of the transferring Customer including, but not limited to, all indebtedness for such services, and the unexpired portion of the minimum period and the termination liability applicable to such services if any; or
- (b) A court-appointed receiver, trustee or other person acting pursuant to the laws of bankruptcy, receivership, reorganization, insolvency, liquidation or other similar proceedings, provided that the assignee or transferee assumes all accrued and unpaid obligations of the transferring Customer including, but not limited to, all indebtedness for such services, and the unexpired portion of the minimum period and the termination liability applicable to such services, if any.

If the Customer wishes to assign or transfer the right to use services provided under these terms and conditions, written consent of the Company is required prior to such assignment or transfer which consent may be granted or withheld in the sole discretion of the Company. All regulations and conditions contained in the terms and conditions herein shall apply to such assignee or transferee.

The assignment or transfer of services does not relieve or discharge the assignor or transferor from

remaining jointly and severally liable with the assignee or transferee for any obligations existing at the time of the assignment or transfer.

3.5 PAYMENT REGULATIONS

- 3.5.1 Service shall be provided and billed for on a monthly basis. Service shall continue to be provided until 30 days after the Company's receipt of a written request from the Customer for the disconnection of service, unless other restrictions apply. Payment is to be made to the address designated on the invoice or such other location as the Company may direct in writing from time to time. In addition to the charges for the Company's services, the Customer shall pay any applicable federal, state or local use, excise, sales or privileges taxes resulting from the services furnished by the Company. Such taxes shall not be counted toward the attainment of any volume or revenue commitment and will not be discounted.
- 3.5.2 The Customer is responsible for payment of all charges for service(s) furnished by the Company. This includes payment for calls or services (a) originated at the Customer's number(s), whether authorized or not; (b) accepted at the Customer's number(s) (e.g. 800 Service and collect calls); (c) billed to the Customer's number via third-number billing, a calling card, a company-assigned authorization code, travel card number, or other special billing number; and/or (d) incurred at the specific request of the Customer.
- 3.5.3 A Customer is responsible for payment for all calls placed to or via the Customer's telephone number(s). This responsibility is not changed by virtue of any use, misuse, or abuse of the customer's service
- 3.5.4 If notice of a dispute with respect to charge is not received, in writing, within 30 days after an invoice is rendered, such invoice shall be deemed to be correct and binding upon the Customer. In instances of a dispute, the Customer is required to pay the undisputed portion of the bill in its entirety. Accounts not paid within 30 days from the due date stated on the bill will be considered delinquent. Delinquent payments may result in the imposition of a late fee which shall be imposed at the rate of 1.5% of the unpaid balance per month or the maximum allowable rate under applicable state law.
- 3.5.5 The Company may require applicants or Customers to provide information pertaining to their financial ability to pay for service.
 - 3.5.5.1 Applicants or Customers whose credit is not acceptable to the Company, or is not a matter of general knowledge, may be denied service or may be required to make, at any time, a deposit in an amount

equaling up to three-months', actual or estimated, charges for the services provided. The Company may increase the amount of any deposit previously required if, in the Company's sole discretion, it is reasonably necessary under the circumstances.

- 3.5.5.2 In the case of a cash deposit, a simple interest rate of 7% per year will be paid for the period during which the deposit is held by the Company. If the Company, in its sole discretion, determines that the Customer is not capable of satisfying its payment obligations, services may be canceled by the Company upon written notice.
- 3.5.5.3 At the Company's option, such deposit may be refunded or credited to the Customer at, or any time prior to, termination of service. The Customer may elect to apply the deposit to future invoices or receive a payment of the deposit amount. Refunded amounts will be issued to the customer within sixty (60) days of service being discontinued. However, if any balance is outstanding on the Customer's account at the time of cancellation, the Company reserves the right to apply the Customer's deposit and accumulated interest against the Customer's unpaid balance.
- 3.5.6 In the event the Company incurs fees or expenses, including attorneys' fees, court costs, costs of investigation and related expenses in collecting, or attempting to collect, any charges owed to the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.
- 3.5.7 In the event that a check or draft tendered by a Customer is returned, a fee of \$11.30 will apply. The fee will be assessed when a check or instrument issued by a Customer is returned without payment for any reason whatsoever, unless the return is a bank error, in which case documentary evidence is required to waive the fee.
- 3.5.8 All stated charges in these terms and conditions are computed by the Company exclusive of any federal, state, or local use, excise, gross receipts, sales, or privilege taxes, duties, fees, or similar liabilities (other than general income or property taxes) whether charged to or against the Company or its Customer. Such taxes, fees, etc. shall be paid by the Customer in addition to the charges stated in these terms and conditions.
- 3.5.9 In cases involving toll fraud, the Company may backbill for one and one-half (1 1/2) years from the point when such fraud was detected and/or quantified.

3.6 CREDIT ALLOWANCES

3.6.1 Interruption of Service

- 3.6.1.1 No credit will be allowed for relinquishing facilities in order to perform routine maintenance.
- 3.6.1.2 No credit will be allowed for failures of service or equipment due to Customer user-provided facilities or any act or omission of the Customer, its authorized user(s), officers, directors, employees, agents, contractors, licensees or invitees or any person or entity who gains access to the service of the customer through the negligence of the customer.
- 3.6.1.3 Credit allowance time for failure of service or equipment starts when the Customer notifies the Company of the failure or when the Company has actual knowledge of the failure, and ceases when the service has been restored and an attempt has been made to notify the Customer.

3.7 CANCELLATION OF SERVICE

- 3.7.1 For any of the following reasons, the Company may discontinue service upon at least 10 days' notice or cancel an application for all services without incurring any liability. Separate accounts for the same Customer are also subject to this provision.
 - 3.7.1.1 In the event that a Customer's bill remains unpaid after more than thirty days following rendition of the bill.
 - 3.7.1.2 In the event of a violation of any regulation governing the service under these terms and conditions, when necessitated by conditions beyond the Company's control, a violation of any law, rule, or regulation of any government authority having jurisdiction over the service.
 - 3.7.1.3 Where the Company is prohibited from furnishing services by order of a court or other government authority having jurisdiction.
- 3.7.2 The Company may, by written notice to the Customer and without incurring any liability, cancel or suspend the provision of service or equipment for non-payment of any sum due to the Company from the Customer, whether pursuant to service offered under these terms and conditions or otherwise, or as a result of actions of a government agency which forces discontinuance of the provision of service or equipment, or for violation or threatened violation of any of the terms or conditions herein by the Customer or

authorized user, or if the Customer becomes insolvent or bankrupt, or makes a general assignment for the benefit of creditors or as otherwise permitted by the terms and conditions herein. Cancellation will be effective on the date specified on the notice.

- 3.7.3 The discontinuance of service by the Company pursuant to this Section does not relieve the Customer of any obligations to pay the Company for charges due and owed for service(s) furnished up to the time of discontinuance.
- 3.7.4 The remedies set forth herein shall not be exclusive and the Company shall at all times be entitled to all rights available to it under either law or equity.
- 3.7.5 Except as otherwise provided in these terms and conditions or as specified in writing by the party entitled to receive service, notices may be given orally or in writing to the person(s) whose name(s) and business address(es) appear on the executed service order.
- 3.7.6 Where the Company cancels a service and the final service period is less than the monthly billing period, a credit will be issued for any amounts billed in advance, prorated at 1/30th of the monthly recurring charge for each day after the service was discontinued. This credit will be issued to the Customer or applied against the balance remaining on the Customer's account.

3.8 DETERMINATION AND RENDERING OF CHARGES

- 3.8.1 For the purpose of billing, service will be deemed to be started on the day the service and its associated equipment, if any, is installed. Where billing is based upon Customer usage, Customers will be billed for all usage commencing on the date usage begins.
- 3.8.2 Subject to the Company's right to cancel or suspend services as otherwise provided in these terms and conditions, the minimum service period is 30 days.
- 3.8.3 All monthly recurring charges are billed one month in advance. Initial and final month's billing, when the service period is less than a month, will be prorated at 1/30th of the month's recurring charge for each day the service was rendered or equipment was provided.
- 3.8.4 Usage charges are billed monthly for the preceding billing period. For periods less than the monthly billing period, minimum usage charges are prorated at 1/30th of the monthly minimum amount for each day the service was rendered.
- 3.8.5 The duration of a call is rated in intervals of the billing increments described for each service provided in these terms and conditions. If the final interval of a call is less than the applicable billing

increment, it will be rounded up to a full increment for purposes of billing.

3.8.7 Computed usage charges or credits for each call are rounded to the nearest cent when possible.

3.9 TIMING OF CALLS

3.9.1 Billable time for service is the duration of time between the called station answering and the called or calling station disconnecting, provided duration may be rounded in accordance with specific descriptions in these terms and conditions.

3.10 FRACTIONAL CHARGES

3.10.1 Charges for a fractional part of a month are calculated by counting the number of days remaining in the billing period after service is furnished. Divide that number of days figure by thirty days (billing period). The result is then multiplied by the applicable monthly service charge to arrive at the appropriate fractional monthly service charge.

3.10.2 For each call the minimum charge shall be the applicable charge for the initial billing increment of use with use in excess of the initial billing increment during a call charged at the applicable rate per minute with the fractional billing increments, if any, of each call rounded up to the next highest whole billing increment.

3.10.3 All per-call charges of fractional cents shall be rounded to the next full cent unless otherwise stated in the specific product description (Section 4).

4. SERVICES

4.1 MESSAGE TELECOMMUNICATIONS SERVICE

4.1.1 MTS - This service arrangement allows a Customer to originate interstate calls in areas with Equal Access capabilities served by the Company by presubscribing to the Service.

a. Service via equal access facilities is available to Customers served by any LEC equal access office served by the Company.

b. Company-provided services are available for calls originating in the following communities:

Kerman
Biola
Foresthill

4.1.2.1 Caller Advantage Service

- (A) Caller Advantage Service is a measured, direct-dialed, non-distance-sensitive, non-time-of-day-sensitive calling plan for business and residential customers and casual callers. Rates for Caller Advantage Service are set forth in Section 5.1.2 following.
- (B) After the first 60 seconds, all business usage rates will be applied in six- (6-) second (1/10th of one minute) increments. Any portion of a six-second increment after the first 60 seconds will be rounded upward to the next increment. Calls under 60 seconds will be rounded to 60 seconds.
- (C) All residential usage rates will be applied in one-minute increments. Any portion of a one-minute increment will be rounded upward to the next increment.

4.1.2.2 Simple Saver

- (A) This direct-dialed optional calling plan is available to residential and business customers of the Company.
- (B) A monthly rate is applied per account as designated in Section 5.1.1 of these terms and conditions.
- (C) This plan cannot be used in conjunction with other discounts or calling plans.
- (D) Residential direct-dialed usage rates will be applied in one-minute increments. Any portion of a one-minute increment will be rounded upward to the next increment.
- (E) After the first 60 seconds, all business direct-dialed usage rates will be applied in six- (6-) second increments. Any portion of a six-second increment after the first 60 seconds will be rounded upward to the next increment. Calls under 60 seconds will be rounded to 60 seconds.

4.1.2.3 Home Connect and Protect Plans

- (A) This optional calling plan is available to residential customers only. These plans are not intended to be used to conduct business or for

internet dial-up and/or high-volume data transfers. If it is determined that the plan's use is non-residential in nature or used for internet dial-up and/or high-volume data transfers, the customer will be notified and the plan will be discontinued.

- (B) Blocks of direct-dialed residential interexchange services may be purchased for a flat monthly rate as identified in Section 5.1.3 of these terms and conditions.
- (C) Direct-dialed minutes exceeding the block of minutes purchased will be charged for at a per-minute rate as specified in Section 5.1.3 of these terms and conditions.
- (D) Unused minutes may not be carried over to subsequent months.

4.1.2.4 Toll-Free Number Service

- (A) Toll-Free Number Service provides line termination to a business or residential line. Toll-Free Number Service terminates on a local access line, eliminating the need for a dedicated line. The service provides for directly dialed telephone calling via the public switched telephone network from anywhere in the United States, including Puerto Rico and the U.S. Virgin Islands. Calls may also originate from Canada. Rates and charges for this service are as identified in Section 5.1.4 of these terms and conditions.

4.2 OPERATOR SERVICES

4.2.1 Reserved for future use

4.2.2 Operator-Assisted Calls - The operator-assisted calls are billed to the Customer's Calling Card or Telephone number. Surcharges, as identified in Sections 5.3 and 6.5 of these terms and conditions, apply in addition to all other charges applicable for this service arrangement.

4.3 SUPPLEMENTAL SERVICES

4.3.1 Directory Assistance

- 4.3.1.1 Long Distance Directory Assistance is available to Customers of the Company's switched services. The charge applies to each call regardless of whether the Directory Assistance Bureau is able to furnish the requested telephone number. Up to two requests may be made on each Directory Assistance call.
- 4.3.1.2 A credit allowance for a Directory Assistance call will be provided if the Customer experiences poor transmission quality, receives an incorrect telephone number, or inadvertently misdials the intended Directory Assistance number.
- 4.3.1.4 Usage Charges Refer to Section 5.4, Supplemental Services (5.4.1).
- 4.3.1.5 Handicapped Exemption - Handicapped customers who qualify for exemptions from Directory Assistance charges due to visual or other physical disabilities will be required to submit a written letter of verification to the Company. Each Directory Assistance billed call will appear on the subsequent month's bill as a credit.

5. INTERSTATE RATES

5.1 MESSAGE TELECOMMUNICATIONS SERVICE

5.1.1 Simple Saver

- a. Requires subscription to intrastate Simple Saver plan
- b. Interstate Message Telecommunications Service for the 48 contiguous United States.

(1) Business Interstate Service	First 60 <u>Seconds</u>	Add'l 6 <u>Seconds</u>
	\$0.10	\$0.01

(2) Residential Interstate Service	First <u>Minute</u>	Add'l <u>Minute</u>
	\$0.10	\$0.10

- c. Interstate Message Telecommunications Service for Alaska and Hawaii.

(1) Business Interstate Service	First 60 <u>Seconds</u>	Add'l 6 <u>Seconds</u>
	\$0.25	\$0.025

(2) Residential Interstate Service	First <u>Minute</u>	Add'l <u>Minute</u>
	\$0.25	\$0.25

5.1.2 Caller Advantage

a. Interstate Message Telecommunications Service for the 48 contiguous United States.

(1) Business Interstate Service	First 60 <u>Seconds</u> \$0.15	Add'l 6 <u>Seconds</u> \$0.015
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(2) Residential Interstate Service	First <u>Minute</u> \$0.25	Add'l <u>Minute</u> \$0.25
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b. Interstate Message Telecommunications Service for Alaska and Hawaii.

(1) Business Interstate Service	First 60 <u>Seconds</u> \$0.30	Add'l 6 <u>Seconds</u> \$0.03
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(2) Residential Interstate Service	First <u>Minute</u> \$0.30	Add'l <u>Minute</u> \$0.30
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5.1.3 Home Connect Plans

Interstate Message Telecommunications Service within the 50-state territory of the United States:

a. Home Connect

(1) 250 direct-dialed minutes (charged per month)	\$17.50
(2) Minutes of use over 250 per month (per minute of use)	\$0.10

b. Home Connect Plus

(1) 500 direct-dialed minutes (charged per month)	\$29.95
(2) Minutes of use over 500 per month (per minute of use)	\$0.10

c. Home Connect Unlimited

(1) Unlimited direct-dialed minutes (charged per month)	\$39.95
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5.1.4 Toll-Free Number Service

a. Toll-Free Plan A

(1) Monthly Rate – per Toll-Free Number \$0.00

(2) Usage Rates:	First	Add'l
	<u>Minute</u>	<u>Minute</u>
	\$0.10	\$0.10

(3) International calls will be charged at rates identified in Section 6.

5.3 OPERATOR SERVICES

- a. Reserved for future use
- b. Operator-Assisted Surcharges, per call, to locations within the United States, its territories, and Canada

(1)	Collect Station-to-Station	\$1.05
(2)	Collect Person-to-Person	\$3.15
(3)	Person-to-Person	\$3.15
(4)	Station-to-Station	\$1.05
(5)	Directory Assistance Call Completion	\$1.05
(6)	Third Party Person-to-Person	\$3.15
(7)	Third Party Station-to-Station	\$1.05
(8)	Operator Dialed Called Number	\$1.05
(9)	Customer Dialed Called Number	\$0.85

5.4 SUPPLEMENTAL SERVICES

5.4.1 Directory Assistance

- a. Per call charges for Directory Assistance will be \$.85 per call.

6. International Message Telecommunications Service (International)

6.1 Rates for International Service

<u>COUNTRY</u>	<u>Business</u>		<u>Residential</u>	
	<u>1st 60 Seconds</u>	<u>Add'l 6 Seconds</u>	<u>1st Minute</u>	<u>Each Add'l Minute</u>
Afghanistan	2.49	0.249	2.49	2.49
Albania	0.90	0.090	0.90	0.90
Algeria	0.95	0.095	0.95	0.95
American Samoa	1.09	0.109	1.09	1.09
Andorra	0.64	0.064	0.64	0.64
Angola	1.45	0.145	1.45	1.45
Anguilla	1.30	0.130	1.30	1.30
Antarctica	1.33	0.133	1.33	1.33
Antigua	0.99	0.099	0.99	0.99
Argentina	1.50	0.150	1.50	1.50
Armenia	1.75	0.175	1.75	1.75
Aruba	0.85	0.085	0.85	0.85
Ascension Island	1.65	0.165	1.65	1.65
Australia	0.45	0.045	0.45	0.45
Austria	0.57	0.057	0.57	0.57
Azerbaijan	1.63	0.163	1.63	1.63
Bahamas	0.54	0.054	0.54	0.54
Bahrain	1.79	0.179	1.79	1.79
Bangladesh	2.56	0.256	2.56	2.56
Barbados	1.20	0.120	1.20	1.20
Belarus	1.08	0.108	1.08	1.08
Belgium	0.48	0.048	0.48	0.48
Belize	1.63	0.163	1.63	1.63
Benin	1.30	0.130	1.30	1.30
Bermuda	0.53	0.053	0.53	0.53
Bhutan	1.88	0.188	1.88	1.88
Bolivia	1.33	0.133	1.33	1.33
Bosnia-Herzegovina	1.11	0.111	1.11	1.11
Botswana	1.59	0.159	1.59	1.59
Brazil	0.95	0.095	0.95	0.95
British Virgin Islands	0.88	0.088	0.88	0.88
Brunei	1.00	0.100	1.00	1.00
Bulgaria	0.87	0.087	0.87	0.87
Burkina Faso	1.41	0.141	1.41	1.41
Burundi	1.80	0.180	1.80	1.80
Cambodia	1.86	0.186	1.86	1.86
Cameroon	1.78	0.178	1.78	1.78
Cape Verde	1.04	0.104	1.04	1.04
Cayman Islands	0.92	0.092	0.92	0.92
Central African Rep.	2.34	0.234	2.34	2.34

6.1 Rates for International Service (Continued)

COUNTRY	Business		Residential	
	1st 60 Seconds	Add'l 6 Seconds	1st Minute	Each Add'l Minute
Chad	2.39	0.239	2.39	2.39
Chile	0.72	0.072	0.72	0.72
China	1.90	0.190	1.90	1.90
Christmas Island	0.87	0.087	0.87	0.87
Cocos Island	0.87	0.087	0.87	0.87
Colombia	1.24	0.124	1.24	1.24
Comorros	2.25	0.225	2.25	2.25
Congo	1.97	0.197	1.97	1.97
Cook Island	2.52	0.252	2.52	2.52
Costa Rica	1.12	0.112	1.12	1.12
Croatia	0.85	0.085	0.85	0.85
Cuba	1.22	0.122	1.22	1.22
Cyprus	0.96	0.096	0.96	0.96
Czech Republic	0.74	0.074	0.74	0.74
Denmark	1.05	0.105	1.05	1.05
Diego Garcia	2.00	0.200	2.00	2.00
Djibouti	2.00	0.200	2.00	2.00
Dominica	1.20	0.120	1.20	1.20
Dominican Republic	0.74	0.074	0.74	0.74
Ecuador	1.32	0.132	1.32	1.32
Egypt	1.59	0.159	1.59	1.59
El Salvador	1.23	0.123	1.23	1.23
Equatorial Guinea	2.79	0.279	2.79	2.79
Eritrea	2.57	0.257	2.57	2.57
Estonia	0.71	0.071	0.71	0.71
Ethiopia	2.23	0.223	2.23	2.23
Faeroe Islands	0.75	0.075	0.75	0.75
Falkland Island	1.83	0.183	1.83	1.83
Fiji Islands	2.13	0.213	2.13	2.13
Finland	0.46	0.046	0.46	0.46
France	0.65	0.065	0.65	0.65
French Antilles	1.01	0.101	1.01	1.01
French Guiana	1.05	0.105	1.05	1.05
French Polynesia	1.52	0.152	1.52	1.52
Gabon	1.87	0.187	1.87	1.87
Gambia	1.38	0.138	1.38	1.38
Georgia	1.57	0.157	1.57	1.57
Germany	0.65	0.065	0.65	0.65
Ghana	1.38	0.138	1.38	1.38
Gibraltar	1.09	0.109	1.09	1.09
Greece	0.85	0.085	0.85	0.85
Greenland	1.06	0.106	1.06	1.06
Grenada	1.24	0.124	1.24	1.24

6.1 Rates for International Service (Continued)

COUNTRY	Business		Residential	
	1st 60 Seconds	Add'l 6 Seconds	1st Minute	Each Add'l Minute
Guadeloupe	1.12	0.112	1.12	1.12
Guam	0.42	0.042	0.42	0.42
Guantanamo Bay	1.57	0.157	1.57	1.57
Guatemala	1.13	0.113	1.13	1.13
Guinea	1.49	0.149	1.49	1.49
Guinea Bissau	2.89	0.289	2.89	2.89
Guyana	1.79	0.179	1.79	1.79
Haiti	1.44	0.144	1.44	1.44
Honduras	1.36	0.136	1.36	1.36
Hong Kong	0.97	0.097	0.97	0.97
Hungary	0.67	0.067	0.67	0.67
Iceland	0.72	0.072	0.72	0.72
India	1.50	0.150	1.50	1.50
Indonesia	1.41	0.141	1.41	1.41
Iran	2.04	0.204	2.04	2.04
Iraq	2.58	0.258	2.58	2.58
Ireland, Republic of	0.58	0.058	0.58	0.58
Israel	1.03	0.103	1.03	1.03
Italy	0.52	0.052	0.52	0.52
Ivory Coast	2.26	0.226	2.26	2.26
Jamaica	1.26	0.126	1.26	1.26
Japan	0.68	0.068	0.68	0.68
Jordan	1.66	0.166	1.66	1.66
Kazakhstan	1.23	0.123	1.23	1.23
Kenya	1.62	0.162	1.62	1.62
Kiribati	2.20	0.220	2.20	2.20
Korea, South	0.99	0.099	0.99	0.99
Korea, North	2.01	0.201	2.01	2.01
Kuwait	1.77	0.177	1.77	1.77
Kyrgyzstan	1.23	0.123	1.23	1.23
Laos	1.93	0.193	1.93	1.93
Latvia	0.83	0.083	0.83	0.83
Lebanon	1.84	0.184	1.84	1.84
Lesotho	1.74	0.174	1.74	1.74
Liberia	1.30	0.130	1.30	1.30
Libya	1.17	0.117	1.17	1.17
Liechtenstein	0.47	0.047	0.47	0.47
Lithuania	0.95	0.095	0.95	0.95
Luxembourg	0.42	0.042	0.42	0.42
Macao	1.20	0.120	1.20	1.20
Macedonia	1.12	0.112	1.12	1.12

6.1 Rates for International Service (Continued)

<u>COUNTRY</u>	<u>Business</u>		<u>Residential</u>	
	<u>1st 60 Seconds</u>	<u>Add'l 6 Seconds</u>	<u>1st Minute</u>	<u>Each Add'l Minute</u>
Madagascar	2.15	0.215	2.15	2.15
Malawi	1.11	0.111	1.11	1.11
Malaysia	0.82	0.082	0.82	0.82
Maldives	1.56	0.156	1.56	1.56
Mali	1.98	0.198	1.98	1.98
Malta	0.70	0.070	0.70	0.70
Marisat - Atlantic Ocean	9.75	0.975	9.75	9.75
Marisat - Indian Ocean	9.75	0.975	9.75	9.75
Marisat - Pacific Ocean	9.75	0.975	9.75	9.75
Marisat - W. Atlantic	9.75	0.975	9.75	9.75
Marshall Islands	1.17	0.117	1.17	1.17
Mauritania	1.90	0.190	1.90	1.90
Mauritius	1.76	0.176	1.76	1.76
Mayotte Island	2.25	0.225	2.25	2.25
Micronesia	1.44	0.144	1.44	1.44
Moldova	1.69	0.169	1.69	1.69
Monaco	0.52	0.052	0.52	0.52
Mongolia	2.61	0.261	2.61	2.61
Montenegro	1.20	0.120	1.20	1.20
Montserrat	1.20	0.120	1.20	1.20
Morocco	0.97	0.097	0.97	0.97
Mozambique	1.56	0.156	1.56	1.56
Myanmar/Burma	3.26	0.326	3.26	3.26
Nakhodka	1.25	0.125	1.25	1.25
Namibia	1.61	0.161	1.61	1.61
Nauru	1.91	0.191	1.91	1.91
Nepal	2.07	0.207	2.07	2.07
Netherlands	0.44	0.044	0.44	0.44
Netherland Antilles	0.76	0.076	0.76	0.76
New Caledonia	1.80	0.180	1.80	1.80
New Zealand	0.46	0.046	0.46	0.46
Nicaragua	1.34	0.134	1.34	1.34
Niger	1.92	0.192	1.92	1.92
Nigeria	1.61	0.161	1.61	1.61
Niue Island	2.43	0.243	2.43	2.43
Northern Mariana Islands	1.28	0.128	1.28	1.28
Norway	0.36	0.036	0.36	0.36
Oman	1.85	0.185	1.85	1.85
Pakistan	2.40	0.240	2.40	2.40
Palau	1.88	0.188	1.88	1.88
Panama	1.26	0.126	1.26	1.26
Papua New Guinea	1.11	0.111	1.11	1.11
Paraguay	1.68	0.168	1.68	1.68

6.1 Rates for International Service (Continued)

COUNTRY	Business		Residential	
	1st 60 Seconds	Add'l 6 Seconds	1st Minute	Each Add'l Minute
Peru	1.26	0.126	1.26	1.26
Philippines	1.15	0.115	1.15	1.15
Poland	0.82	0.082	0.82	0.82
Portugal	0.77	0.077	0.77	0.77
Qatar	1.82	0.182	1.82	1.82
Reunion Island	1.44	0.144	1.44	1.44
Romania	1.11	0.111	1.11	1.11
Russia	1.23	0.123	1.23	1.23
Rwanda	1.80	0.180	1.80	1.80
Sakahlin	1.25	0.125	1.25	1.25
San Marino	0.94	0.094	0.94	0.94
Sao Tome	2.31	0.231	2.31	2.31
Saudi Arabia	1.74	0.174	1.74	1.74
Senegal	3.19	0.319	3.19	3.19
Seychelles Islands	2.92	0.292	2.92	2.92
Sierra Leone	1.86	0.186	1.86	1.86
Singapore	0.68	0.068	0.68	0.68
Slovenia	0.89	0.089	0.89	0.89
Solomon Islands	2.08	0.208	2.08	2.08
Somalia	3.35	0.335	3.35	3.35
South Africa	1.15	0.115	1.15	1.15
Spain	0.68	0.068	0.68	0.68
Sri Lanka	1.93	0.193	1.93	1.93
St. Helen	2.43	0.243	2.43	2.43
St. Kitts	1.03	0.103	1.03	1.03
St. Lucia	1.13	0.113	1.13	1.13
St. Pierre	0.91	0.091	0.91	0.91
St. Vincent	1.33	0.133	1.33	1.33
Sudan	1.29	0.129	1.29	1.29
Suriname	2.32	0.232	2.32	2.32
Swaziland	1.23	0.123	1.23	1.23
Sweden	0.34	0.034	0.34	0.34
Switzerland	0.45	0.045	0.45	0.45
Syria	2.14	0.214	2.14	2.14
Tadjikistan	1.96	0.196	1.96	1.96
Taiwan	1.02	0.102	1.02	1.02
Tanzania	1.64	0.164	1.64	1.64
Thailand	1.49	0.149	1.49	1.49
Togo	1.81	0.181	1.81	1.81
Tonga Islands	1.93	0.193	1.93	1.93

6.1 Rates for International Service (Continued)

<u>COUNTRY</u>	<u>Business</u>		<u>Residential</u>	
	<u>1st 60</u> <u>Seconds</u>	<u>Add'l 6</u> <u>Seconds</u>	<u>1st</u> <u>Minute</u>	<u>Each Add'l</u> <u>Minute</u>
Trinidad	1.42	0.142	1.42	1.42
Tunisia	1.08	0.108	1.08	1.08
Turkey	1.01	0.101	1.01	1.01
Turkmenistan	1.87	0.187	1.87	1.87
Turks and Caicos Islands	1.11	0.111	1.11	1.11
Tuvalu	1.99	0.199	1.99	1.99
Uganda	1.30	0.130	1.30	1.30
Ukraine	1.09	0.109	1.09	1.09
United Arab Emirates	1.31	0.131	1.31	1.31
United Kingdom	0.90	0.090	0.90	0.90
Uruguay	1.59	0.159	1.59	1.59
Uzbekistan	1.65	0.165	1.65	1.65
Vanuatu	2.66	0.266	2.66	2.66
Vatican City	0.72	0.072	0.72	0.72
Venezuela	0.82	0.082	0.82	0.82
Vietnam	2.22	0.222	2.22	2.22
Wallis and Futuna	0.85	0.085	0.85	0.85
Western Samoa	1.93	0.193	1.93	1.93
Yemen	1.79	0.179	1.79	1.79
Yugoslavia	0.93	0.093	0.93	0.93
Zaire	1.15	0.115	1.15	1.15
Zambia	1.54	0.154	1.54	1.54
Zimbabwe	1.30	0.130	1.30	1.30

6.2 Rates for International Service (Mexico)

Listed below are rates for all calls originating from the U.S. Mainland and terminating in Mexico. Mileage is measured from U.S. originating point to border crossings. Banding is from U.S. border crossing to Mexico terminating locations.

	<u>Business Service</u>		<u>Residential Service</u>		<u>US Mainland to</u> <u>Point of Connection</u> <u>Rate Mileage</u>
	<u>1st 60</u> <u>Seconds</u>	<u>Add'l 6</u> <u>Seconds</u>	<u>1st</u> <u>Minute</u>	<u>Add'l</u> <u>Minute</u>	
Mexico Band 1	0.45	0.045	0.45	0.45	0 - 10
Mexico Band 2	0.45	0.045	0.45	0.45	11 - 22
Mexico Band 3	0.45	0.045	0.45	0.45	23 - 55
Mexico Band 4	0.45	0.045	0.45	0.45	56 - 124
Mexico Band 5	0.45	0.045	0.45	0.45	125 - 292
Mexico Band 6	0.45	0.045	0.45	0.45	293 - 430
Mexico Band 7	0.45	0.045	0.45	0.45	431 - 925
Mexico Band 8	0.45	0.045	0.45	0.45	926 +

6.3 Rates for International Service (Canada)

	<u>Business</u>		<u>Residential</u>	
	<u>1st 60</u> <u>Seconds</u>	<u>Add'l 6</u> <u>Seconds</u>	<u>1st</u> <u>Minute</u>	<u>Add'l</u> <u>Minute</u>
Canada-Region 1	0.45	0.045	0.45	0.45
Canada-Region 2	0.50	0.050	0.50	0.50
Canada-Region 3	0.55	0.055	0.55	0.55

Region 1 - NPAs 250, 807, 905, 613, 519,416, 514, 819, 418

Region 2 - NPAs 403, 886, 889

Region 3 - NPAs 306, 204, 506, 709, 902

6.4 Reserved for future use

6.5. International Operator-Assisted Surcharges

(1)	Person-to-Person	\$3.15
(2)	Station-to-Station	\$1.05
(3)	Third Party Person-to-Person	\$3.15
(4)	Third Party Station-to-Station	\$1.05
(5)	Operator Dialed Called Number	\$1.05
(6)	Customer Dialed Called Number	\$0.85