

Sage Telecom, Inc.
Ohio Terms and Conditions of Service

Customer Billing Inquiries

Any customer who has a question regarding his/her telephone bill may contact Sage in writing at: 3300 E. Renner Road, Suite 350, Richardson, Texas 75082-2800, or toll free at 1-888-449-4940.

Your Repair Representatives

Residence: 1-888-449-4940, Business: 1-877-619-3969.

Disputed Bills and Steps for Filing a Complaint

A customer's service shall not be subject to suspension or disconnection for nonpayment of the portion of a bill under dispute pending a determination of accuracy of the charges by Sage and completion of any informal complaint process. The customer is obligated to pay any billed charges not in dispute. Any disputed charge may be brought to Sage's attention by written notification to Sage Telecom, ATTN: Customer Relations, 3300 E. Renner Road, Suite 350, Richardson, Texas 75082-2800, or by verbal notification to 1-888-449-4940. Your service representative is available to answer your questions and resolve your problems. If you are still not satisfied, ask to speak to a supervisor.

If you have a complaint that is not resolved after you have called Sage, or for general utility information, residential and business customers may contact the **Public Utilities Commission of Ohio for assistance at 1-800-686-7826 (toll free) or for TTY at 1-800-686-1570 (toll free) from 8:00 a.m. to 5:00 p.m. weekdays, or at www.puco.ohio.gov**. Residential customers may also contact the Ohio Consumers' Counsel (OCC) for assistance with complaints and utility issues at 1-877-742-5622 (toll free) from 8:00 a.m. to 5:00 p.m. weekdays, or at www.pickocc.org.

Credit Information

Sage may require an applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the end-user from complying with Sage's policy regarding the prompt payment of bills. Any applicant who previously has been an end-user of Sage and whose service has been discontinued for nonpayment of bills shall be required, before service is rendered, to pay all amounts due Sage.

Deposits and Interest

In cases where Sage requires a deposit, the deposit shall not exceed two hundred thirty percent (230%) of the estimated average monthly bill for a customer's regulated services for the ensuing twelve months. An existing customer may be required to post a deposit as a condition of continued service if undisputed charges have become delinquent. In this context "delinquent" describes a payment not received on or before the due date as posted on the bill, in two (2) out of the last twelve (12) billing periods or if the customer has had service disconnected during the last twelve (12) months or has presented a check to Sage that was subsequently dishonored.

Interest on cash deposits shall be paid by Sage at no less than the rate calculated pursuant to Commission rules. Sage shall provide payment of accrued interest to customers on an annual basis, either as a credit towards billing or by means of a check. Deposits shall cease to draw interest on the date it is returned or credited to a customer's account. The amount of the deposit, including accrued interest, shall be applied to any unpaid charges at the time of a discontinuance of service. The balance, if any, shall be returned to the end-user within 30 days after settlement of the consumer's account, either in person or by mailing it to the end-user's last known address.

The deposit made by the end-user to Sage at the time of application for telephone service shall not constitute an advance payment to cover service bills, but for all purposes it is to be considered as security for payment of monthly bills or other legitimate charges.

Advance Payments

At the time an application for service is made, an applicant may be required to pay an estimated advance payment amount for the first month's service charges and/or the service connection charge and/or equipment charges plus applicable taxes, fees, and surcharges as well as nonrecurring charges for any required special construction. The advance payment will be applied to the customer's first invoice. Any resulting credit balance or remaining balance owed will be reflected on the customer's first invoice.

Advance payments received by Sage in funds other than Credit Card, MoneyGram, Western Union Quick Collect, or Ace Cash Express may delay service implementation for up to 5 business days after payment is honored. The

amount of the advance payment is credited to the Customer's account on the first invoice rendered. An advance payment may be required in addition to a deposit.

Sage-to-Sage Long Distance Calling

Residential Sage customers may place unlimited 1+, direct-dialed long distance calls to other residential Sage customers at no additional charge. The called party must have an active Sage telephone number at the time the call is placed. Sage-to-Sage Long Distance Calling minutes are not deducted from allotted long distance usage allowances in Sage bundled packages. Calls will be itemized on the customer's bill as Sage-to-Sage calls. No credits will be issued for unused long distance minutes. Sage-to-Sage Long Distance Calling is limited to use for residential voice applications. Customers must be subscribed to Sage's local, intraLATA toll and interLATA long distance services. No commercial use of any form is permitted for this unlimited service offering. If, at any time, the Company determines that the Customer's usage is non-residential or is not consistent with use for residential voice applications, the Company may immediately take actions to enforce adherence to Sage's Ohio Guidebook, and the Company's Terms and Conditions of Service applicable to interLATA and international long distance.

Free Sage 1+ Long Distance

Sage Local Service Plans that include a fixed number of free Sage 1+ long distance minutes will be governed by the Company's Ohio Guidebook. The per minute rate for all direct dialed, 1+ long distance and 1+ intraLATA toll calls is \$0.05 per minute unless otherwise noted, and applies to calls made to points within the continental U.S., Alaska, Hawaii, Puerto Rico, and U.S. Virgin Islands and outside the customer's local (free) calling area. The duration of each call is rounded to the next full minute.

Customers earn a monthly credit against their 1+ long distance and 1+ intraLATA toll charges based on Sage's Ohio Guidebook. If the total dollar amount of usage is less than the maximum credit allowed, then the customer earns a credit only to their actual usage. The credit is offered on a per line basis for purposes of calculating the monthly allowable credit. There is no carry forward of unused credits. The credit does not apply to calling card calls, operator assisted calls, and calls made to Directory Assistance.

Intrastate Inter-exchange Services

The Company provides intrastate inter-exchange services, including direct-dialed message telecommunications services and 800/888/877/866 service to residential and business customers who also subscribe to the Company's Local Exchange Telecommunications Services, as described in Sage's Ohio Guidebook. Interstate inter-exchange services are only provided in conjunction with the Company's local exchange services, and no alternative arrangements will be made to provide these services to a customer that is not subscribed to the Company's local exchange service. Each service is offered via Sage's facilities, conventional network elements purchased from other local or inter-exchange carriers, or via resale of facilities of other local or inter-exchange carriers for the transmission of one-way or two-way communications, unless otherwise noted. Calls are rated based on the duration of the call. Services are available twenty-four (24) hours a day, seven (7) days a week.

Charges Based on Duration of Use

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply: Calls are measured in duration increments identified for each service. All calls which are fractions of a measurement increment are rounded up to the next whole unit. Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s). Timing terminates on all calls when the calling party hangs up or the Company's network receives an on-hook signal from the terminating carrier. Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call. All times refer to local times. Rates are not distance sensitive. As such, unless otherwise indicated, mileage bands are not applicable to the services offered. Unless otherwise indicated, rates do not vary depending upon day or the time of day (Day, Evening, and Night/Weekend). Each call is rated and billed in whole cents. Any rated call with a fraction of a cent \$0.005 or greater will be rounded up to the nearest whole cent.

Switched Outbound (1+)

Switched Outbound (1+) service provides Sage customers with the ability to originate calls from a Sage provided access line to all other stations on the public switched telephone network bearing the designation of any central office exchanges outside the customer's local calling areas. This service is available on a switched basis only. This service is available to Local Exchange Telecommunications Services customers of Sage pursuant to Sage's Ohio Guidebook. For all customers who choose Sage as their intraLATA toll and interLATA long distance provider the

Standard Rate per Minute is \$0.05 unless otherwise noted, the Discounted* Rate per Minute is \$0.04. The duration of each call is rounded up to the nearest minute.

*Discount is available on select plans as identified in Sage's Ohio Guidebook. For customers who do not choose Sage as their intraLATA toll and interLATA long distance provider the rate per minute is as follows:

- IntraLATA Toll Calls \$0.15 per minute where Sage is the carrier.
- InterLATA Long Distance Calls \$0.15 per minute where Sage is the carrier.

Inbound Only Toll Free Service (8xx)

Inbound Only Toll Free Service is an inbound-only service that allows callers located anywhere in the State of Ohio to place Toll Free Calls to Customers by dialing an assigned telephone number with an 8XX area code. The Company provides Switched Toll Free Service only. Calls may be terminated either to the Customer's local exchange telephone service or dedicated access line. This service may be used as a replacement for more expensive collect call options. The rate per minute is \$0.10. A \$0.50 per call surcharge will apply to all calls placed from a payphone. The duration of each call is rounded up to the nearest minute.

Important Information Regarding Residential Services

Service offerings that include unlimited long distance usage are restricted to residential voice applications. No commercial use of any form is permitted for such unlimited service offerings. Residential Services cannot be used to originate calls to other telephone companies' caller-paid information services (e.g., N.A. 900, NXX 976, etc.). Calls to those numbers and other numbers used for caller-paid information services will be blocked by Sage, unless otherwise requested by the customer to be unblocked. A High Usage Charge is applicable to all Residential service plans whenever usage thresholds as described herein are exceeded, including plans that offer unlimited voice calling and plans that do not offer unlimited usage. The existence of the High Usage Charge shall be communicated to the customer in advance of its initial application, and shall thereafter apply automatically whenever the threshold is exceeded. The High Usage Charge is based upon minutes of use (MOUs) in excess of 9,000 MOUs during any consecutive 30-day period and charged at a rate of \$0.0025 per MOU.

For residential service offerings that include unlimited usage, the Company will notify the Customer in writing when the previous month's usage exceeds that normally associated with residential voice applications. Such written notice will inform the Customer that a higher tier rate will apply if, after two additional two months, the usage remains above usage thresholds established in the existing service plan. Customers whose excessive usage levels resulted in a higher rate will, upon request, qualify for the lower-tier rate(s) after three consecutive months of usage below usage thresholds established in the existing service plan. The High Usage Charge is a separate element and applies independently of any unlimited plan rate tier.

Limits to Collect Calling

Sage provides collect calling services to residential customers subject to a twenty-five dollar (\$25.00) limit for all collect calls received. Collect calls received after the limit has been reached, during a billing period, will be blocked. The block will remain in place until the \$25.00 balance is paid or reduced. The customer may pay down the balance at any time during the month in order to restore the collect calling feature. The collect call limit is a separate element of service and applies independent of any rate plan. Once customers approach or exceed the \$25.00 limit, during a billing period, they are notified via an automated message to the telephone number of record.

Important Information Regarding Business Services

Business Services cannot be used to originate calls to other telephone companies' caller-paid information services (e.g., N.A. 900, NXX 976, etc.). Calls to those numbers and other numbers used for caller-paid information services will be blocked by Sage, unless otherwise requested by customer to be unblocked. Service is furnished only for use by the business customer, guests, employees and business associates. Service is available whenever the use of the service is primarily or substantially of a business, professional institution or otherwise occupation nature, or where the listing required is such as to indicate business use. Business rates are applicable to 1) offices, stores, factories, boarding houses, offices of hotels and apartment houses, colleges, public, private or parochial schools, hospitals, nursing homes, libraries, institutions, churches and all other establishments of a strictly business nature; 2) any location where a business designation is provided or when a title indicating a trade, occupation or profession is listed; 3) service terminating solely on the answering service facilities of a telephone answering firm will carry business rates; and 4) residential locations where the business customer has no regular business telephone service and the use of the service by the business customer, members of the household, or guests is of a business nature as may be indicated by advertising through newspapers, handbills, billboards, circulars, business cards, or otherwise.

Payment of Charges

The customer is responsible for the payment of all charges for facilities and services furnished by Sage to the customer and to all users authorized by the customer, regardless of whether those services are used by the customer itself or are resold to or shared with other persons. For billing of monthly charges, service is considered to be established upon the day in which Sage notifies the customer of installation and testing of the customer's services. Except where otherwise specified, usage charges will be billed monthly in arrears. Customer will be billed for all usage accrued beginning immediately upon access to the service. Customers will be billed for usage occurring during their specific 30-day billing cycle, which for purposes of computing charges shall be considered a month. The rates charged to a customer will be the rate in effect on the first day of the customer's billing cycle. Monthly charges for all access service components, provided hereunder, are billed in advance of service and reflect the rates in effect as of the date of the invoice. A customer's first invoice may contain charges from previous periods for service provided from the date of installation through the current invoice period. Invoices are available electronically and in paper form at the Customer's discretion.

Bills are due and payable as specified on the bill. Bills may be paid by mail to: Sage Telecom, P.O. Box 79051, Phoenix, AZ 85062-9051, on line at www.sagetelecom.net/account.html, or by calling the Sage Interactive Voice Response Payment Number at 1-866-729-7243, or by phone at 1-888-449-4940, or at a MoneyGram, Western Union Quick Collect, or ACE Cash Express authorized location to receive such payment. All charges for service are payable only in United States Currency. Payment may be made by cash, check, money order, cashier's check, or certain major credit cards, Discover, VISA, and MasterCard. Customer may also establish a recurring credit card or electronic payment which will automatically apply the total monthly bill amount to their account 3-4 days prior to the due date. Customer payments are considered prompt when received by Sage or its agent by the due date on the bill. Amounts not paid within sixteen (16) days after the mail date of the invoice will be considered past due. In the event that a postmark on a customer's payment received after the due date is not discernible, a three day mailing period will be presumed. If the last calendar day for remittance falls on a Sunday, legal holiday, or other day when the offices of Sage are not open to the general public, the final payment date shall be extended through the next business day.

If any portion of the payment is not received by Sage, or if any portion of the payment is received by Sage in funds that are not immediately available, then a late payment penalty may be assessed. Charges greater than \$50.00 left unpaid sixteen (16) days after the mail date of the invoice are subject to a late payment charge of \$6.00. The late payment penalty shall apply to all customers. The late payment penalty will not be placed on the customer's account until the next bill cycle.

Sage may assess a rate of a thirty dollar (\$30.00) charge for each returned check or credit card chargeback. The Company may refuse to honor any Customer's personal check, draft, or other instrument if, in the preceding twelve (12) months, the Customer had twice submitted payments through the use of personal checks, drafts, or other instruments that were subsequently dishonored. Exceptions shall be made when the payment(s) had been dishonored due to bank error.

Disconnection of Service by Customer

By giving notice, Customer may disconnect service at any time following applicable minimum service requirement(s). The Customer will be responsible for all usage charges through the date of disconnection. For nonusage sensitive charges, Customer will be liable for the prorated monthly recurring charge up to the effective date of the cancellation or termination.

Cancellation for Cause

The Company may discontinue all service, discontinue a portion of service, or cancel an application for service without incurring any liability. Service may be discontinued during normal business hours after the date specified in the notice of discontinuance. Service shall not be discontinued on a day when the offices of the Company are not available to facilitate reconnection of service or on a day immediately preceding such a day. At least 24 hours preceding discontinuance, the Company shall make reasonable efforts to contact the Customer to advise of the proposed discontinuance and what steps must be taken to avoid. The company is prohibited from disconnecting any customer's local exchange service for nonpayment of charges incurred by the customer for toll service. Partial payments by a customer to the company will be apportioned by the company to the regulated local service charges first before being applied by the company to any toll charges and will be apportioned to customer's regulated telephone service charges first before being applied to charges for non-regulated services.

After notifying the subscriber, or attempting to notify the subscriber, through any reasonable means, Sage may refuse, suspend, limit, or cancel a customer's service immediately in the event that the usage or acts of the customer are such to indicate intention to defraud the Company, to abuse or harass others, or to partake in similar activities. This includes fraudulently placing and receiving calls and/or providing false credit information, or misrepresentation of the customer's identity for the purpose of obtaining basic local exchange service. Abuse or fraudulent use includes the use of service or facilities of the Company for a call or calls anonymous or otherwise, if in a manner reasonably to be expected to frighten, abuse, torment or harass employees of the Company and/or others and the use of profane or obscene language, and etc.

If service is suspended/disconnected by Sage, the Company shall restore service by 5:00 P.M. on the next business day following either: If service is suspended, receipt by the company or its authorized agent of the full amount in arrears for which service was suspended, in addition to payment of the Reconnection Fee. If service was disconnected, receipt by the Company or its authorized agent of the full amount in arrears for which the service was disconnected, in addition to applicable installation charges, or upon verification by the company that conditions which warranted disconnection of service have been eliminated.

Reconnection of Services

In the event service is disconnected for nonpayment, call your Sage representative at 1-888-449-4940. You may restore service with full payment by credit card, Moneygram, or Western Union Quick Collect. Sage may require the customer to pay the entire amount of all unpaid charges, along with any applicable deposit and reconnection charges, prior to reconnecting service of any kind to the customer. Payments made to an unauthorized payment agent may result in untimely or improper crediting of the customer's subscriber's account.

Limitations

Sage reserves the right to discontinue service when the customer is using the service in violation of law or the provisions of Sage's Ohio Guidebook and/or the Company's Terms and Conditions of Service. Sage does not undertake to transmit messages, but offers the use of its facilities when available, and is not liable for errors in transmission, nor due to failure to establish connections. Sage reserves the right to refuse service to customers due to insufficient or invalid charging information. Sage may block calls that are made to certain cities, central office exchanges, or use certain authorization codes as Sage, at its sole discretion, deems reasonably necessary to prevent unlawful or fraudulent use of service.

Sage may refuse, suspend, limit, or cancel the customer's ability to receive inbound collect calls at any time and without prior notice in the event that usage of collect calling and/or third party number calls is suspected to be fraudulent or beyond the customer's ability to pay. The customer's ability to receive or complete such calls shall be reinstated upon receipt of payment for all current charges. After notifying the subscriber, or attempting to notify the subscriber, through any reasonable means, Sage may refuse, suspend, limit, or cancel a customer's service immediately in the event that the usage or acts of the customer indicate intention to defraud the Company. This includes fraudulently placing and receiving calls and/or providing false credit information, or misrepresentation of the customer's identity for the purpose of obtaining local exchange service.

Abuse or fraudulent use includes, but is not limited to situations described above, or 1) the use of service or facilities of the Company for a call or calls anonymous or otherwise, if in a manner reasonably to be expected to frighten, abuse, torment or harass an employee of the Company and/or others; 2) the use of profane or obscene language; 3) the impersonation of another with fraudulent intent; 4) the use of the service in such a manner as to interfere with the service of others or to prevent others from making or receiving calls over their telephone service; 5) the use of the service for any purpose other than as a means of communication; 6) the use of service of facilities of the Company to transmit a message or to locate a person or otherwise to give or obtain information, without the payment of the applicable local message charge or message toll change; 7) the obtaining or attempting to obtain, or assisting another to obtain, local or message toll telephone service, by rearranging, tampering with, or making connection with any facilities of the Company, or by any trick, scheme, false representation, or false credit device, or by or through any other fraudulent means or device whatsoever, with intent to avoid the payment, in whole or part, of the regular charge for such service; 8) when the customer is known to have planned or participated in terrorism or in acts that may cause harm to citizens; or 9) when the Company has reason to believe that its services may be used for causing terrorist acts or harm to citizens.

The Company may refuse to provide service at an address where service has been discontinued for non-payment of bills for any service subject to Sage's Ohio Guidebook, and with the Company's Terms and Conditions of Service if it is determined that the nonpayment customer or users of the service still reside at the address.

The Company reserves the right to discontinue service, limit service, or to impose requirements as necessary to meet changing regulatory or statutory rules and standards, or when such rules and standards have an adverse material affect on the business or economic feasibility of providing service, as determined by the Company in its reasonable judgment.

Pursuant to a wholesale supplier's contractual provision, Sage will not provide more than ten lines per service location to new customers. Existing customers with more than ten lines that are disconnected will be restricted to a ten-line maximum account upon retrieval.