

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: 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789, or toll free at 1-888-449-4940.

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, 805 Central Expressway South, Suite 100, Allen, TX. 75013, 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.

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 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 Tariff on file with the PUCO, 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 Terms and Conditions of Service. 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 Tariff on file with the PUCO and the Company's Terms and Conditions of Service. 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 and is rolled up, along with usage, to the account level 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 Tariff on file with the PUCO. 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 Tariff on file with the PUCO, and the Company's Terms and Conditions of Service. For all customers who choose Sage as their intraLATA toll and interLATA long distance provider the Standard Rate per Minute is \$0.05, 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 Tariff on file with the PUCO, and the Company's Terms and Conditions of Service. 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 \$0.05 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.

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 rates 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. Customers have the option to spread local exchange telephone service installation charges over a period of three months. 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 or Western Union Quick Collect agency authorized 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. If Sage becomes concerned at any time about the ability of a customer to pay its bills, Sage may require that the customer pay its bills and make such payments in certified funds.

Your Repair Representatives

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

Reconnection of Services

In the event service is disconnected for nonpayment of basic local exchange service charges, 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 Tariff on file with the PUCO 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 basic 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 or attempt 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 Tariff on file with the PUCO, 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.