

Sage Telecom of Texas, LP
Texas Terms and Conditions for Prepaid Service and Your Rights as a Customer

Use of Service

Services provided by Sage Telecom may be used only in a manner consistent with the Sage Telecom of Texas, L.P. ("Company") Local Exchange and Intrastate Interexchange Telecommunications Services tariff on file with the Public Utilities Commission of Texas. The tariff and Terms and Conditions of Service may be referenced on the Sage website at www.sagetelecom.net.

Services provided by Sage Telecom are provided without discrimination as to a customer's race, color, sex, nationality, religion, marital status, income level, source of income, or from unreasonable discrimination on the basis of geographic location.

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.

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. 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. 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 credit/debit card at www.sagetelecom.net/account.html, by calling Sage Telecom's automated payment processing at 1-866-729-7243, at a MoneyGram or Western Union Quick Collect agency authorized to receive such payment, or by phone at 1-888-449-4940. 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 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 cash or the equivalent of cash.

Sage may assess up to a thirty dollar (\$30) 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.

If service is disconnected by Sage in accordance with the provisions of the terms & conditions and later reinstated, service will be subject to applicable reinstatement charges. In addition to the reinstatement charges, the customer will be required to pay all charges due. For nonusage sensitive charges, customer will be liable for the entire monthly recurring charge during the month customer's service terminates.

If a customer chooses to place Information Services Provider (ISP) calls or receives calls via a non-Sage affiliated carrier, customer will be liable for all charges related to such calls; including without limitation, charges billed to the Company or Customer by ISP or other carriers, plus an applicable 10% rebilling charge.

Cancellation, Disconnection and Termination of Service

Where the Customer or applicant cancels an Application for Service prior to the start of installation of service, lease of network elements, or prior to the start of special construction, no charge applies. Where installation of service has been started prior to the cancellation, a cancellation charge equal to the costs incurred by Sage shall apply. The costs incurred by Sage will include the direct and indirect costs of facilities specifically leased, provided or used; the cost of installation, including design preparation, engineering, supply expense, labor and supervision, general and administrative, and any other costs resulting from the preparation, installation and removal effort.

By giving advance notice, customer may disconnect service at any time following its minimum service requirement(s). Customer will be responsible for all charges until disconnect is effected. However, in the event that customer continues to utilize Sage's services beyond the date upon which the services are to be disconnected, the customer will be liable for the usage charges incurred. For nonusage sensitive charges, customer will be liable for the entire prepaid service charge during the month customer's service terminates. If the customer disconnects service prior to the end of a term plan, the termination liabilities associated with the term plan will apply.

Sage, by giving prior notice to an applicant or customer, may cancel an application or may refuse, discontinue or limit service without incurring any liability for any of the following reasons:

- For residential customers, nonpayment of tariffed basic local exchange telephone service as defined in Payment of Charges section due to Sage for service more than 16 days beyond the mail date of the bill for such service, but not less than 10 days after a notice of disconnection of service has been issued. Service may be terminated for nonpayment of the basic local exchange telephone service, or any costs arising therefrom based on the listing of services in Payment of Charges. If the customer subscribes to a package of bundled services that includes some amount of toll minutes, the toll service will be blocked when the toll minutes purchased are exhausted. Sage reserves the right to remove the toll services from the packaged bundle and institute toll blocking. If the customer does not pay for toll services incurred after toll blocking is instituted, full service may be disconnected. In addition, if a customer incurs fees associated with operator service use or directory assistance use and does not make full payment for those services, service may be terminated for nonpayment. In the event Sage terminates service for nonpayment, the customer may be liable for all reasonable costs of collection including reasonable court costs, expenses and fees; or
- For residential customers, nonpayment of tariffed basic local exchange telephone service due to Sage for service for more than 16 days beyond the mail date of the bill, but not less than 10 days after a notice of disconnection of service has been issued, on any Sage account regardless of whether the application or service being canceled is related or unrelated to the account or service for which the sum is past due; or
- A violation of or a failure to comply with, any regulation of these terms & conditions. The discontinuance of service(s) by Sage pursuant to this section does not relieve the customer of any obligation to pay Sage for charges due and owing for service(s) furnished up to the time of discontinuance; or
- Sage confirms that both a phone number and mailing address are no longer valid for the customer; or
- Sage is prohibited from furnishing service by order of a court or other government authority having jurisdiction; or

- Avoidance of toll blocking by incurring long distance charges after toll blocking was implemented due to non-payment of long distance charges; or
- 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 these terms & conditions 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.

Sage, without giving prior written notice, may discontinue service without incurring any liability for:

- Tampering with Sage Telecom's equipment; or
- Evidence of theft of Sage Telecom service; or
- Acts by the customer that indicates intention to defraud Sage Telecom, Inc. in any manner.
- Failure to make a security deposit.
- Violation of or noncompliance with any provision of law, or of the tariffs or terms and conditions of service of the Company filed with and approved by the Commission.
- Refusal to permit the Company reasonable access to its telecommunications facilities for recovery, maintenance, and inspection thereof.
- Interconnection of a device, line, or channel to Company facilities or equipment contrary to the Company's terms and conditions of service on file with and approved by the Commission.
- Use of telephone service in such manner as to interfere with reasonable service to other end-users.
- Any use of service or known plans to use the service in a manner contrary to the security of the United States of America or contrary to the safety or security of its citizens.

If service is terminated by Sage for any cause set forth above and the Customer has subscribed to service under a term plan, the customer will be charged the termination liability associated with the term plan.

Service may be disconnected during normal business hours on or after the date specified in the notice of disconnection. Except for instances involving harm to the network, safety or security of others, or matters involving National Security, or as directed by Law Enforcement, service shall not be disconnected 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.

Reinstatement of Service

The reinstatement of service charge will apply after disconnection. If service is disconnected for nonpayment, call your Sage representative at the number below. You may reinstate service with full payment by credit card, MoneyGram, or Western Union Quick Collect. For Residential service, please call 1-888-449-4940. Payments made to an unauthorized payment agent may result in the untimely or improper crediting of the subscriber's account.

Your Repair Representatives

For Residential service, please call 1-888-449-4940.

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.

Disputed Bills and Steps for Filing a Complaint

A customer's service shall not be subject to 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 manager. If you wish to file a complaint you may contact the Commission (PUC) to initiate an informal or formal complaint. Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326, at 512-936-7120 or Texas (toll-free) 1-888-782-8477, fax: 512-936-7003, e-mail address: customer@puc.state.tx.us. Hearing and speech impaired individuals with text telephones (TTY) may contact the Commission at 512-936-7136.

Services for Customers with a Disability

Customers with physical disabilities and those who care for such customers may identify themselves to Sage. In this way, special action can be taken to inform you of your rights, where necessary and appropriate to the particular situation. Hearing and speech-impaired individuals with text telephones (TTY) may contact the Commission at (512) 936-7136 or Relay Texas Toll Free 1-800-735-2989. When required by the Commission, Sage will participate in telephone relay service for handicapped or hearing impaired Customers, and will comply with all regulations and requirements relating thereto.

Your Sage Service

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. Residential service offerings that include unlimited usage are limited to use for residential voice applications. This includes service offerings providing for unlimited local usage, unlimited intraLATA usage and/or unlimited interLATA usage. No commercial use of any form is permitted for such unlimited service offerings. Incidental calling for dial-up Internet access, for data and fax type applications, and for other restricted uses reflected in these terms & conditions is permitted up to a maximum of 1200 minutes within any consecutive 30-day period; any such usage beyond this threshold shall be presumed to be non-residential in nature. 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 the Company's Statement of Terms and Conditions of Service that are applicable to interLATA and international long distance. Such actions may include the transition to a higher tier within the customer's existing service plan and the application of the High Usage Charge as specified below. The High Usage Charge is applicable to all Residential service plans whenever usage thresholds established below are exceeded, including plans that offer unlimited usage 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.

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 and apply the High Usage Charge. The High Usage Charge is a separate element and applies independently of any unlimited plan rate tier. The High Usage Charge is applicable to all Residential service rate plans; per minute of use (MOU) in excess of 6,000 MOUs during any consecutive 30-day period and charged at a rate of \$0.0025 per MOU.

You may request a complete copy of all Sage service plans or a complete list of calling features and how they operate, by writing to: Sage Telecom, Inc., Attn: Customer Relations, 3300 E. Renner Road, Suite 350, Richardson, Texas 75082-2800, or by calling 1-888-449-4940, or by going online at www.sagetelecom.net.

Customer Calls made with free minutes will be marked as FREE in the long distance portion of your Sage bill. Calls where free minutes are used for some portion of the call will be marked with a symbol based on the type of free minutes used. Unused free minutes during a billing period are lost. The free minutes do not apply to calling cards, operator assisted calls, and calls made to Directory Assistance.

Lifeline Service

Lifeline Service is a telecommunications service assistance program designed to provide eligible residential customers with a reduction in the price of basic local exchange access service. Customer's eligibility will be determined by the Texas Low-Income Discount Administrator (LIDA). Lifeline qualified Tribal Land applicants or customers must self-certify under penalty of perjury that they reside on a reservation, as defined in Title 47 of the Code of Federal Regulations, Section 54.400(e). Eligible customers may have multiple access lines per residential service location; however, only the primary access line at the principal place of residence will be eligible for the Lifeline discount. Eligible customers will receive the Lifeline discount applied automatically to their basic local exchange service. All charges, either recurring or nonrecurring, for any service or feature other than Lifeline Service shall be billed at the tariffed rate. Lifeline Service shall not be available on a retroactive basis, and is only available to customers who subscribe to one of Sage's local service plans.

Customer Proprietary Network Information

Under federal law, Sage, its affiliates and authorized agents must ask your permission before disclosing or providing access to your customer information (CPNI) to market products and services to you that you are not currently purchasing from us. Customer information includes where, when, and to whom a customer places a call, as well as the types of telecommunications services to which the customer subscribes and the extent to which the service is used. Your customer information also includes how you use those services and the related billing of those services. Restricting your information will not affect the products you currently have from Sage and may not eliminate all marketing contacts. Even if you restrict the use of your information, Sage may use your records to market to you additional services from Sage to which you already subscribe. Even if you restrict the use of your information, it may be used to market services to you when you call us to inquire about such services. Your election is valid until you revoke it.

Telephone Solicitation

Texas law requires that a telephone solicitor who calls your home must; identify himself or herself by name, identify the business on whose behalf he or she is calling, identify the purpose of the call, and identify the telephone number at which the person, company, or organization making the call may be reached. A telephone solicitor may not call a residence before 9 am or after 9 pm on a weekday or Saturday, or before noon or after 9 pm on Sunday. These requirements do not apply to telephone solicitations made at your request, or solicitations made in connection with an existing debt or contract, or calls from a telephone solicitor with whom you have a prior or existing business relationship.

Charges on Your Telephone Bill - Your Rights as a Customer

Placing charges on your phone bill for products or services without your consent is known as "cramming" and is prohibited by law. Your telephone company may be providing billing services for other companies, so other companies' charges may appear on your telephone bill. If you believe you were "crammed," you should contact the telephone company that bills you for your telephone service, Sage Telecom, at 1-888-449-4940 and request that it take corrective action. The Public Utility Commission of Texas requires the billing telephone company to do the following within 45 calendar days of when it learns of the unauthorized charge:

- notify the service provider to cease charging you for the unauthorized product or service;
- remove any unauthorized charge from your bill;
- refund or credit all money to you that you have paid for an unauthorized charge; and
- Upon your request, provide you with all billing records related to any unauthorized charge within 15 business days after the charge is removed from your telephone bill.

If the company fails to resolve your request, or if you would like to file a complaint, please write or call the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326, at 512-936-7120 or toll-free in Texas at 1-888-782-8477. Hearing and speech-impaired individuals with text telephones (TTY) may contact the Commission at 512-936-7136.

Your phone service cannot be disconnected for disputing or refusing to pay unauthorized charges. You may have additional rights under state and federal law. Please contact the Federal Communications, the Attorney General of Texas, or the Public Utility Commission of Texas if you would like further information about possible additional rights.

Selecting a Telephone Company – Your Rights as a Customer

Telephone companies are prohibited by law from switching you from one telephone service provider to another without your permission, a practice commonly known as "slamming."

If you are slammed, Texas law requires the telephone company that slammed you to do the following:

1. Pay, within five (5) business days of your request, all charges associated with returning you to your original telephone company.
2. Provide all billing records to your original telephone company within ten (10) business days of your request.
3. Pay, within 30 days, your original telephone company the amount you would have paid if you had not been slammed.
4. Refund to you within 30 business days any amount you paid for charges during the first 30 days following the slam.

Your original telephone company is required to provide you with all the benefits, such as frequent flyer miles, you would have normally received for your telephone use during the period in which you were slammed. If you have been slammed, you can change your service immediately back to your original provider by calling the alleged unauthorized telecommunications provider. You should also report the slam by writing or calling the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326, at 512-936-7120 or Texas (toll-free) 1-888-782-8477, fax: 512-936-7003, e-mail address: customer@puc.state.tx.us. Hearing and speech impaired individuals with text telephones (TTY) may contact the Commission at 512-

936-7136. You can prevent slamming by requesting a preferred telephone company freeze from your current service provider. With a freeze in place, you must give formal consent to "lift" the freeze before your phone service can be changed. A freeze may apply to local toll service, long distance service, or both. The Public Utility Commission of Texas can give you more information about freezes and your rights as a customer.

Texas No-Call List

Residential customers may add their name, address and non-business telephone number or wireless number to a state sponsored no-call list that is intended to limit telemarketing calls including those that use text or a graphic message or image to your residential or wireless telephone. The list will be updated for telemarketers on a quarterly basis. Within 60 days of the date your number appears on a published list, you should stop receiving telemarketing calls. Registration of a non-business telephone number or wireless number on the no-call list expires on the third anniversary of the date the number is first published on the list. Registration of a telephone number on the no-call list can be accomplished through one of the following methods:

- Via the United States Postal Service; TEXAS NO CALL, P.O. Box 313, E. Walpole, MA 02032. Request a registration form first by calling 1-866-896-6225 or by printing it from www.TexasNoCall.com.
- Via Internet at www.TexasNoCall.com
- Via telephone at Automated Registration 1-866-896-6225.

A customer must pay a fee of \$2.25 per term to register for the no-call list unless the customer registers via the Commission's internet website address, in which case there is no charge. The customer registration fee, of \$2.25 per term, must be paid by credit card when registering by telephone. When registering by mail, the fee must be paid by credit card, check or money order.

A customer that registers for inclusion on the no-call list may continue to receive calls from groups, organizations, and persons who are exempt from compliance with this section, including:

- Those with whom they have an established business relationship;
- When the customer requests contact;
- To collect a debt; or
- If the telemarketer is a state licensee (for example - insurance or real estate agent, etc.) and:
 1. the call is not made by an automated device;
 2. the solicited transaction is not completed without a face-to-face presentation to complete a sales transaction and make payment; or the consumer has not previously told the licensee that the consumer does not wish to be called.

Further information regarding Rules and Regulations, Description of Services, Rates and Charges, and Promotions and Discounts can be found in Sage Telecom's Texas Local and Intrastate Interexchange Telecommunications Services Tariff at www.sagetelecom.net.