

SAGE TELECOM, INC.

**3300 E. Renner Road
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**TERMS AND CONDITIONS OF SERVICE
INTERLATA LONG DISTANCE**

This document contains the rates, terms and conditions of service for the provision of interlata long distance service by Sage Telecom, Inc. ("Company" or "Sage") between one or more points in the United States as specified herein.

The rates and regulations contained in this document apply only to the services furnished by the Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by other Common Carriers for use in accessing the services of the Company.

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SECTION 1. DEFINITIONS

Authorized User -- Any person, firm, corporation or other entity permitted by the Customer to access or utilize the services furnished by the Company to the Customer.

Billed Party -- The person or entity responsible for payment of the Company's service. The Billed Party is the Customer associated with the Calling Station used to place the call, with the following exceptions:

(a) in the case of a calling card or credit card call, the Billed Party is the holder of the calling card or credit card used by the User; and

(b) in the case of a collect or third party call, the Billed Party is the person responsible for the local telephone service at the telephone number that agrees to accept charges for the Call.

Call -- A completed connection between the Calling and Called station.

Calling Station -- The telephone number from which a Call originates.

Called Station -- The telephone number called.

Common Carrier -- A company or entity providing telecommunications services to the public.

Customer -- A person, firm, corporation, partnership or other entity, including affiliates or divisions of the Customer, in whose name the telephone number of the Calling Station is registered with the underlying LEC. The Customer is responsible for payment of charges to the Company and compliance with all terms and conditions of this document.

Incomplete Call -- Any Call where voice transmission between the Calling and Called station is not established.

Interruptions in Service -- An Interruption in Service shall mean a condition whereby the Service or a portion thereof is inoperative. An Interruption in Service begins at the time of notice by the Customer to the Company that such Service is inoperative and ends at the time of the restoration of service.

Service -- Any service provided pursuant to this document.

Serving Wire Center -- A specified geographic point from which the vertical and horizontal coordinate is used in calculation of airline mileage.

Underlying Carrier -- A provider of domestic interexchange telecommunications services from whom the Company acquires services that it resells to Customers.

United States -- The forty-eight (48) contiguous states contained within the mainland United States, as well as Alaska, Hawaii, the District of Columbia, Puerto Rico and the U.S. Virgin Islands.

User/End User -- Customer or any Authorized User of the Company's Services.

V & H Coordinates -- Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the Call may be determined. Call mileage may be used for the purpose of rating Calls.

SECTION 2. TERMS AND CONDITIONS

2.1 Use and Availability of Service

- 2.1.1 Service is furnished to the User for any lawful purpose. Service shall not be used for any unlawful purpose, nor used in such a manner as to interfere unreasonably with the use of Service by any other Users.
- 2.1.2 The use of the Company's Services without payment for Service or attempting to avoid payment for Service by fraudulent means or devices, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.1.3 The Company's Services may be denied for non-payment of charges or for other violations of the terms and conditions set forth in this document.
- 2.1.4 The use of the Company's Services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another is prohibited.
- 2.1.5 Service temporarily may be refused or limited because of system capacity limitations.
- 2.1.6 Service is subject to transmission limitations caused by natural (including atmospheric, geographic or topographic) or artificial conditions adversely affecting transmission.
- 2.1.7 Service to any or all Customers may be temporarily interrupted or curtailed due to equipment modifications, upgrades, relocations, repairs and similar activities necessary for proper or improved operations.
- 2.1.8 Services provided pursuant to this document may be utilized only for the transmission of communications by Customers consistent with the terms of this document, the rules and regulations of the FCC, and the requirements of the Communications Act of 1934, as amended by the Telecommunications Act of 1996.
- 2.1.9 The use and restoration of Service during emergency conditions shall be in accordance with Appendix A to Part 64 of the FCC's rules and regulations, 47 C.F.R. 64.401, which specifies the priority system for service.
- 2.1.10 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 similar restricted uses reflected in this Statement of Terms and Conditions of Service is permitted up to a maximum of 1,000 minutes within any thirty-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 its tariffs and to this Statement of Terms and Conditions of Service.

2.2 Limitation of Liability

- 2.2.1 Because the Company has no control of communications content transmitted over its system, and because of the possibility of errors incident to the provision and use of its Service, Service furnished by the Company is subject to the terms, conditions and limitations herein specified.
- 2.2.2 The Company is not liable to Users for Interruptions in Service except as set forth in Section 2.4 of this document.
- 2.2.3 The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.

SECTION 2. TERMS AND CONDITIONS, (Cont'd)

2.2 Limitation of Liability, (Cont'd)

- 2.2.4 The Company shall not be liable for and the User shall indemnify and hold the Company harmless against any claims for loss or damages involving:
 - 2.2.4.A Any act or omission of: (i) the User; or (ii) any other entity furnishing service, equipment or facilities for use in conjunction with Services or facilities provided by the Company;
 - 2.2.4.B Interruptions or delays in transmission, or errors or defects in transmission, or failure to transmit when caused by or as a result of acts beyond the reasonable control of the Company, including, but without limitation to acts of God, governmental authorities, fire, war, riots, or vandalism;
 - 2.2.4.C Any unlawful or unauthorized use of the Company's facilities and services;
 - 2.2.4.D Libel, slander or infringement of copyright arising directly or indirectly from the material transmitted over facilities provided by the Company;
 - 2.2.4.E Infringement of patents arising from combining apparatus and systems of the User with facilities provided by the Company;
 - 2.2.4.F Breach in the privacy or security of communications transmitted over the Company's facilities;
 - 2.2.4.G Changes in any of the facilities, operations or procedures of the Company that: (1) render any equipment, facilities or services provided or utilized by the User obsolete; (2) require modification or alteration of such equipment, facilities or services; or (3) otherwise affect use or performance of such equipment, facilities or services except where reasonable notice is required from the Company and is not provided to the Customer;
 - 2.2.4.H Defacement of or damage to the Customer's premises or personal property resulting from the furnishing of services or equipment on such premises or the installation or removal thereof;
 - 2.2.4.I Any wrongful act of a Company employee where such act is not authorized by the Company and is not within the scope of the employee's responsibilities for the Company;
 - 2.2.4.J Any representations made by a Company employee that do not comport with or that are inconsistent with the provisions of this document;
 - 2.2.4.K Any non-completed Calls due to network busy conditions; and
 - 2.2.4.L Any calls not actually attempted to be completed during any period that Service is unavailable.
- 2.2.5 The User shall reimburse the Company for all costs, expenses and fees (including reasonable attorneys' fees and costs) incurred by the Company in its defense against claims set forth in Section 2.2.4.
- 2.2.6 The Company assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities that are used to provide Service to the User, even if the Company has acted as the User's agent in arranging for such facilities or services.

SECTION 2. TERMS AND CONDITIONS, (Cont'd)

2.2 Limitation of Liability, (Cont'd)

- 2.2.7 Any claim against the Company shall be deemed waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.
- 2.2.8 The Company makes no express representations or warranties regarding the Service and disclaims any implied warranties, including, but not limited to, warranties of title or implied warranties of merchantability or fitness for a particular purpose. The Company does not authorize anyone to make a warranty of any kind on its behalf and the User should not rely on any such statement.
- 2.2.9 Any liability of the Company for loss or damages arising out of mistakes, omissions, interruptions, delays, errors or defects in the Service, the transmission of the Service, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing Service, shall in no event exceed an amount equivalent to the proportionate fixed monthly charge to the Customer for service, during the period of time in which such mistakes, omissions, interruptions, delays, errors or defects in the service, its transmission or failure or defect in facilities furnished by the Company occurred.
- 2.2.10 The Company shall not be liable for any direct, indirect, consequential, special, actual or punitive damages, or for any lost profits of any kind or nature arising out of defects or any other cause. The warranty and remedies set forth in this Section are exclusive and in lieu of all other warranties or remedies, whether express, implied or statutory, including, without limitation, implied warranties of merchantability and fitness for a particular purpose.

2.3 Responsibilities of the Customer

- 2.3.1 The Customer is responsible for placing any necessary orders complying with the terms and conditions set forth in this document. The Customer shall ensure compliance with any applicable laws, regulations, orders or other requirements of any governmental entity relating to Services provided to the Customer or made available by the Customer to another User. The Customer also is responsible for the payment of charges for all Calls originated at the Customer's numbers which are not collect, third party, calling card, or credit card calls.
- 2.3.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by the Company on the Customer's behalf.
- 2.3.3 If required for the provisioning of the Company's Services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to the Company.
- 2.3.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to the Company and the Customer when required for Company personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of the Company's services.
- 2.3.5 The Customer must pay the Company for replacement or repair of damage to the Company's equipment or facilities caused by negligent or improper use on the part of the Customer, Users, or others.
- 2.3.6 The Customer must indemnify the Company for the theft of any Company equipment or facilities installed at the Customer's premises.

SECTION 2. TERMS AND CONDITIONS (Cont'd)

2.3 Responsibilities of the Customer (Cont'd)

2.3.7 The Customer agrees, except where the events, incidents or eventualities set forth in this sentence are the result of the Company's gross negligence or willful misconduct, to release, indemnify and hold harmless the Company against any and all loss, claims, demands, suits or other action or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person, for any personal injury to or death of any person or persons, or for any loss of or damage to any property, whether owned by the Customer or others. The Customer shall reimburse the Company for all costs, expenses and fees (including reasonable attorneys' fees and costs) incurred by the Company in its defense against such actions.

2.4 Allowances for Interruptions in Service

2.4.1 General

2.4.1.A A Service is interrupted when it becomes unusable to the User, *e.g.*, the User is unable to transmit or receive, because of a failure of a component furnished by the Company under this document.

2.4.1.B An interruption period begins when the User reports a Service, facility or circuit to be inoperative and releases it for testing and repair. An interruption period ends when the Service, facility or circuit is operative.

2.4.1.C If the User reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, the Service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a Service facility or circuit considered by the Company to be impaired.

2.4.2 Limitations on Allowances

2.4.2.A No credit allowance will be made for any interruption of Service:

2.4.2.A.1 due to the negligence of, or noncompliance with the provisions of this document by any person or entity other than the Company, including but not limited to the Customer or other Common Carriers connected to the service of the Company;

2.4.2.A.2 due to the failure of power, equipment, systems or services not provided by the Company;

2.4.2.A.3 due to circumstances or causes beyond the control of the Company;

2.4.2.A.4 during any period in which the Company is not given full and free access to the Customer's or Company's facilities and equipment for the purpose of investigating and correcting the interruption;

2.4.2.A.5 during any period in which the User continues to use the Service on an impaired basis;

2.4.2.A.6 during any period in which the Customer has released Service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;

SECTION 2. TERMS AND CONDITIONS (Cont'd)

2.4.2 Limitations on Allowances (Cont'd)

2.4.2.A.7 that occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and

5.4.2.A.8 that was not reported to the Company within thirty (30) days of the date that Service was affected.

2.4.3 Application of Credits for Interrupted Services

2.4.3.A At the Customer's request, a credit allowance for a continuous interruption of service for more than twenty-four (24) hours will be made in an amount determined by the Company on a case-by-case basis.

2.4.3.B Any such interruption will be measured from the time it is reported to or detected by the Company, whichever occurs first.

2.4.3.C In the event the User is affected by such interruption for a period of less than twenty-four (24) hours, no adjustment will be made. No adjustments will be earned by accumulating non-continuous periods of interruption.

2.4.3.D When an interruption exceeds twenty-four (24) hours, the length of the interruption will be measured in twenty-four (24) hour days. A fraction of a day consisting of less than twelve (12) hours will not be credited and a period of twelve (12) hours or more will be considered an additional day.

2.4.3.E A credit allowance will not be given for interruptions caused by the negligence or willful act of the User or interruptions caused by failure of equipment or Service not provided by the Company.

2.5 Payment of Charges

2.5.1 The Customer is responsible for payment of all charges for Services furnished to the Customer or its Users. The Customer shall not be excused from paying the Company for Services provided to the Customer on the basis that use of Service was unauthorized. All charges remain due and payable on the due date of the invoice, although a Customer is not required to pay disputed charges while the Company conducts its investigation into the matter.

2.5.2 Payment for the Company's Services is due by the due date specified on the Company's bill for such Services. Amounts not paid within thirty (30) days from the due date of the invoice will be considered past due. The Company reserves the right to assess late payment charges to Customers whose account(s) carries principal owing from the prior billing period. Any charges not paid in full by the due date indicated on the billing statement may be subject to a late fee. If a Customer presents an undue risk of non-payment at any time, the Customer may be required to pay its bills within a specified number of days and to make such payments to the Company in cash or the equivalent of cash.

2.5.3 The Company reserves the right to assess a fee of \$25.00 for any check or other negotiable instrument returned to the Company for any reason.

2.5.4 Recurring monthly charges may be invoiced one month in advance.

SECTION 2. TERMS AND CONDITIONS (Cont'd)

2.6 Deposits

- 2.6.1 Following a credit review, the Company may require a security deposit of up to two (2) month's actual or estimated usage charges from Customers who fail to establish creditworthiness or who present an undue risk of nonpayment. In the event of changing conditions, a required security deposit may be increased or decreased, as deemed appropriate by the Company.

2.7 Contested Charges

- 2.7.1 All bills are presumed accurate, and all charges on the invoice will be deemed accepted and will be binding on the Customer unless objection is received by the Company no more than fifteen (15) days after such bills are rendered. In the case of a billing dispute between the Customer and the Company for Service furnished to the Customer, which cannot be settled with mutual satisfaction, the Customer may take the following course of action no more than fifteen (15) days after the billing date:
- 2.7.1.A First, the Customer may request, and the Company will provide, an in-depth review of the disputed amount. (The undisputed portion and subsequent bills must be paid on a timely basis or the Service may be subject to disconnection.)
- 2.7.1.B Second, if there is still a disagreement about the disputed amount after investigation and review by the Company, the Customer may file an appropriate complaint with the FCC.
- 2.7.2 Billing inquiries may be directed to the Company at 1-888-449-4940.

2.8 Billing Entity Conditions

- 2.8.1 When billing functions on behalf of the Company are performed by the LEC or other carriers, the payment conditions and regulations of such companies apply, including any applicable interest and/or late payment charge conditions.

2.9 Taxes

- 2.9.1 All federal, state or local use, excise, gross receipts, sales, privilege and similar taxes, duties or fees are billed as separate line items on Customer invoices and are not included in the quoted rates contained in this document. Such taxes, duties or fees shall be paid by the Customer in addition to the charges stated in this document.
- 2.9.2 The amounts resulting from taxes, fees imposed against the Company, its property or its operations, except for taxes imposed generally on corporations, shall be billed to its Customers pro rata by the Company where applicable

2.10 Promotions

- 2.10.1 The Company may, from time to time, offer Services or waive or vary Service rates for promotional, market research or other similar business purposes. The varying rates will not exceed those in this document for the same services. Where offered, all promotional offerings shall be set forth in Section 5 of this document.

SECTION 2. TERMS AND CONDITIONS (Cont'd)

2.11 Incomplete Calls/Wrong Number

2.11.1 The Company will not knowingly charge for Incomplete Calls or wrong numbers. Upon the Customer's request and proper verification, the Company shall promptly adjust or credit the Customer's account for charges or payments for any unanswered call inadvertently billed due to the unavailability of Feature Group D or due to another carrier's failure to provide answer supervision. Where answer supervision is not available, any Call for which the duration exceeds one (1) minute shall be presumed to have been answered.

2.12 Termination of Service

2.12.1 A Customer may terminate Service, with or without cause, by giving the Company notice.

2.12.2 The Customer is responsible for all charges incurred for Service furnished by the Company to the Customer until the date of cancellation, regardless of which party terminates the Service. The Customer shall reimburse the Company for all costs, expenses and fees (including reasonable attorneys' fees and costs) incurred by the Company in collecting such charges.

2.12.3 Without incurring liability, the Company may terminate service for non-compliance with and/or violation of any federal, state or municipal law, ordinance or regulation. Without incurring liability, the Company also may terminate Service for the following reasons:

2.12.3.A Without notice, for Customer tampering with Company equipment and/or the use of equipment in such a manner as to adversely affect the Company's equipment or the Company's Service to others.

2.12.3.B Without notice, in the event that the Company deems that such action is necessary to protect it against or prevent it from unauthorized or fraudulent use or procurement of Service or to otherwise protect its personnel, agents, facilities or Services. Fraudulent procurement of Service includes but is not limited to, misrepresentation of identity or facts for the purpose of obtaining Service, and improper or unauthorized usage as cited in Section 2.1.10.

2.12.3.C Without notice, if the Company determines that continued Service to the Customer represents an unreasonable risk of nonpayment.

2.12.3.D With notice, for non-payment by the Customer of any sum owed to the Company or for Customer non-compliance with and/or violation of the Company's rules and regulations or any of the provisions of this document. Customer shall be deemed to have cancelled Service as of the date of such termination and shall be liable for any cancellation charges set forth in this document.

2.12.4 The Company reserves the right to discontinue furnishing Service, with or without notice, when necessitated by conditions beyond its reasonable control.

2.12.5 The remedies set forth in this section shall not be exclusive and the Company shall be entitled to all rights available to it under either law or equity.

2.12.6 Except as otherwise provided in this document, or as specified in writing by the Customer, notice by the Company may be given either orally or in writing to the persons whose names appear on the Customer's executed Service order.

SECTION 3. EXPLANATION OF RATES

The regulations set forth in this section explain how to apply the rates associated with the various services offerings described in Section 4 of this document.

3.1 Timing of Calls

3.1.1 Billing for Calls placed over the Company's underlying carrier's network is based on the duration of the Call. Timing begins when the Called Station is answered, as determined by standard industry methods generally in use for ascertaining answers, including answer supervision hardware by which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. Timing ends when either party hangs up.

3.2 Billing Increments/Computation of Charges

3.2.1 Calls are measured and billed in one (1) minute increments unless otherwise specified. All Calls are rounded up to the next full minute.

3.3 Calculation of Distance

3.3.1 Usage charges for all mileage sensitive products are based on the airline distance between Serving Wire Centers associated with originating and terminating points of a Call.

The Serving Wire Centers of a Call are determined by the area code and exchanges of the origination and destination points. The distance between the wire centers of the Customer's equipment and that of the destination point is calculated by using the V and H coordinates found in Bell Core's Tape and NECA F.C.C. Tariff No. 4.

3.4 Rate Periods

3.4.1 The Company's rates for the Services described in this document do not vary by time of day or day of week.

SECTION 4. RATE SCHEDULES AND DESCRIPTIONS OF SERVICE

4.1 **1+ Long Distance Service**

4.1.1 Description of Service

The Company's 1+ Long Distance Service is a switched long distance message telecommunications service provided between points within the United States. Customers subscribing to this Service may make Calls from any location in the United States at any time of day or night for a flat-rated per minute charge. Customers subscribing to the Company's 1 + Long Distance Service may choose from the Service plans set forth in Section 4.1.3.

4.1.2 Billing Increments

Switched 1+ Long Distance calls are billed in initial one (1) minute increments. All Calls are rounded up to the next full minute.

4.1.3 Rates

4.1.3.A. **Plan A**

Eligibility: Customers who subscribe to one of the Company's local exchange service products, as defined in the Company's Local Exchange Tariff on file with the appropriate state agency. Effective November 1, 2003 in Texas and January 1, 2004 in Missouri customers previously on Plan A have been migrated to Plan E, unless otherwise noted.

Per minute rate:

Continental U.S.	\$0.10
Hawaii, Alaska, Puerto Rico & U.S. Virgin Islands	\$0.10

4.1.3.B. **Plan B**

Eligibility: Customers who do not subscribe to one of the Company's local exchange service products, as defined in the Company's Local Exchange Tariff on file with the appropriate state agency.

Per minute rate:

Continental U.S.	\$0.10
Hawaii, Alaska, Puerto Rico & U.S. Virgin Islands	\$0.10
Recurring monthly fee:	\$4.95 *

* Residential customers must pay all charges incurred as part of this plan by major credit card (VISA, MasterCard, or Discover). Business customers, at the Company's discretion, may be subjected to a credit evaluation prior to being approved as a Plan B Customer.

SECTION 4. RATE SCHEDULES AND DESCRIPTIONS OF SERVICE

4.1 **1+ Long Distance Service (Cont'd)**

4.1.3 **Rates (cont'd)**

4.1.3.C. **Plan C**

Eligibility: Customers who subscribe to one of the Company's local exchange service products, as defined in the Company's Local Exchange Tariff on file with the appropriate state agency. Effective November 1, 2003 in Texas and January 1, 2004 in Kansas, Arkansas, Oklahoma, and Missouri customers previously on Plan C have been migrated to Plan E.

Per minute rate:

Continental U.S.	\$0.07
Hawaii, Alaska, Puerto Rico & U.S. Virgin Islands	\$0.07

4.1.3.D. **Plan D**

Eligibility: Customers who subscribe to one of the Company's local exchange service products, as defined in the Company's Local Exchange Tariff on file with the appropriate state agency. Effective November 1, 2003 all customers previously on Plan D have been migrated to Plan E. Plan D has been discontinued as of November 1, 2003.

Per minute rate:

Continental U.S.	\$0.06
Hawaii, Alaska, Puerto Rico & U.S. Virgin Islands	\$0.06

4.1.3.E. **Plan E**

Eligibility: Customers who subscribe to one of the Company's local exchange service products, as defined in the Company's Local Exchange Tariff on file with the appropriate state agency.

Per minute rate:

Continental U.S.	\$0.05
Hawaii, Alaska, Puerto Rico & U.S. Virgin Islands	\$0.05

SECTION 4. RATE SCHEDULES AND DESCRIPTIONS OF SERVICE

4.1 **1+ Long Distance Service (Cont'd)**

4.1.3 **Rates (cont'd)**

4.1.3.F. **Plan F**

Eligibility: Customers who subscribe to one of the Company's local exchange service products, as defined in the Company's Local Exchange Tariff on file with the appropriate state agency. 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 similar restricted uses reflected in this Statement of Terms and Conditions of Service is permitted up to a maximum of 1,000 minutes within any thirty-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 its tariffs and to this Statement of Terms and Conditions of Service, including actions that restrict, suspend or cancel the Customer's service without advance notice.

	Per minute rate:
Continental U.S.	Unlimited Free
Hawaii, Alaska, Puerto Rico & U.S. Virgin Islands	Unlimited Free

SECTION 4. RATE SCHEDULES AND DESCRIPTIONS OF SERVICE

4.2 Toll Free Service

4.2.1 Description of Service

Toll Free Service is an inbound-only service that allows callers located anywhere in the United States to place Toll Free Calls to Customers by dialing an assigned telephone number with an 800 or 888 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.

4.2.2 Billing Increments

Toll Free Service is billed in an one (1) minute increments. All Calls are rounded up to the next full minute.

4.2.3 Rates

4.3.3.A. For Calls Originating in the United States

Per minute charge: \$ 0.10*

* A \$0.30 per call surcharge will apply to all calls placed from a payphone.

4.3 Directory Assistance

4.3.1 Description of Service

Directory Assistance ("DA") is a Service that provides Customers with access to telephone number information. Access is obtained by direct dialing 1 + (Area Code) 555-1212.

4.3.2. Billing Increments

Directory Assistance is billed in one (1) minute increments. All calls are rounded up to the next full minute.

4.3.3. Rates

4.3.3.A. Calls placed to interstate/interLATA DA, other than 800/888 toll free DA:

Effective as defined in the Company's Local Exchange Tariff on file with the appropriate state agency in all states unless noted below:

Per call rate: \$ 1.50

Effective as defined in the Company's Local Exchange Tariff on file with the appropriate state agency in Ohio:

Per call rate: \$ 1.25

4.3.3.B. Calls placed to 800/888 toll free DA

Calls placed to 800/888 toll free DA are provided at no charge to the Customer.

Up to two (2) requests may be made on each call to Directory Assistance.

SECTION 4. RATE SCHEDULES AND DESCRIPTIONS OF SERVICE (Cont'd)

4.4 Operator Services

- 4.4.1 Operator Services involve assisting Customers with the placement of telephone calls, including collect calls, calling cards, credit card calls, person-to-person calls, third party calls, and other related operator services as well as the obtaining of related information. The Company does not provide operator services. All operator assisted calls therefore will be routed to the Company's underlying carrier.

SECTION 5. DISCOUNTS AND PROMOTIONS

[reserved for future use]