

LONG DISTANCE TERMS OF SERVICE

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KCTC, hereafter referred to as Company, is a carrier providing intrastate, interstate and international domestic communications services to Customers for their direct transmission of voice, data and other types of telecommunications.

1. Limitations

1. The services are provided subject to the availability of facilities and the other provisions of this document.
2. The Company does not undertake to transmit communications or messages, but rather furnishes facilities, service and equipment for such transmissions by the Customer.
3. The Company retains the right to deny or terminate service to any Customer who fails to comply with the rules and regulations of this document; or other applicable rules, regulations or laws.

2. Obligations of the Customer

1. All Customers assume general responsibilities in connection with the provision and use of the Company's service, as described in this section. When facilities, equipment, and/or communication systems provided by others are connected to the Company's facilities, the Customer assumes the additional responsibilities as set forth here.
2. The Customer is responsible for the payment of all charges for any and all Services or facilities provided by the Company to the Customer.
3. The Customer shall indemnify and hold harmless the Company from and against all loss, liability, damage and expense; including reasonable counsel fees, due to claims for libel, slander, or infringement of copyright or

trademark in connection with any material transmitted by the Customer using the Company's services; and any other claim resulting from any act or omission of the Customer in the use of the Company's facilities.

4. The Customer shall reimburse the Company for damages to the Company's facilities caused by any negligence or willful act or acts on the part of the Customer.

5. In the event a suit is brought by the Company, or an attorney is retained by the Company to collect any bill or enforce the terms of this document against a Customer, that Customer shall be responsible for payment of all reasonable attorney's fees, court costs, costs of investigation and any and all other related costs and expenses incurred by the Company in connection therewith.

6. The Customer understands that the Services are furnished subject to the condition that there will be no abuse, fraudulent and/or illegal use thereof. Such activity includes, but is not limited to:

1. Using the Service for any purpose that is in violation of any law.

2. Obtaining or attempting to obtain services through any scheme, false representation and/or use of any fraudulent means or devices whatsoever with the intent to avoid payment, in whole or in part, of charges for services, or assisting any other person or firm in such regard.

3. Attempting to, or actually obtaining, accessing, altering, or interfering with the communications and/or information by rearranging, tampering with or making any connection with any facilities of the Company or assisting any other person or firm in such regard.

4. Using the Services in a manner that interferes unreasonably with the use of Service by one or more other Customers.

5. Using the Service to convey information deemed to be obscene, salacious, or prurient, to impersonate another person with fraudulent or malicious intent, to call another person or persons so frequently, at such times, or in such a manner as to annoy, abuse, or harass, or to convey information of a nature or in a manner that renders such conveyance unlawful.

3. Liabilities of the Company

1. Except as stated in this section, the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights or privileges contemplated through acceptance of the service.

2. The liability of the Company for damages resulting in whole or in part from, or arising in connection with, the furnishing of service under this Document, including, but not limited to, mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations shall not exceed an amount equal to the charges under this document applicable to the specific call (or portion thereof) that was affected. No other liability shall attach to the Company.

3. The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to: (1) acts of God, fires, flood or other catastrophes; (2) any law, order, regulation, directive, action or request of the United States Government, or any other government, including state and local governments having jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of said governments, or of any civil or military authority; or (3) national emergencies, insurrections, riots, wars or other labor difficulties.

4. The Company shall not be liable for any act or omission of any other entity furnishing facilities, equipment, or services used by a Customer, with the Company's services. In addition, the Company shall not be liable for any damages or losses due to the failure or negligence of any Customer or due to the failure of Customer provided equipment, facilities or services.

4. Charges and Payments for Service or Facilities

1. The Company may, in order to safeguard its interests, require Customer to make a suitable deposit as a guarantee of the payment of charges.

2. Any deposit as referred to in this Section shall be held by the Company to secure the payment of the Customer's bill. At the Company's option, the deposit may be refunded or credited to the Customer at any time prior to the termination of Service.

3. The fact that a deposit is made does not relieve the Customer from making advance payments or from complying with the Company's regulations for the payment of bills in accordance with the terms herein and does not constitute a waiver or modification of the regulations of the Company providing for the discontinuance of Service for nonpayment of any sums due the Company for Service rendered.

4. Upon termination of Service any remaining deposit amounts will be credited to the Customer's account and any credit balance will be refunded after all amounts due the Company have been paid.

5. Service is provided and billed on a monthly basis. Service continues to be provided and billed on a monthly basis until cancelled by the Customer through notice given to the Company.

6. When a Local Exchange Carrier (LEC) performs billing functions, commercial credit card company or others, the payment conditions and requirements of such LECs apply, including any applicable interest.

7. In the event a Local Exchange Carrier, commercial credit card company or others ceases efforts to collect any amounts associated with the Company's charges, the Company may bill the Customer or the called party directly, and may utilize its own billing and collection procedures which shall be consistent with all applicable statutes, rules and regulations.

8. In addition to all recurring, non-recurring, minimum, usage, surcharges or special charges, the Customer identified in this Document shall also be responsible for and shall pay all applicable federal, state and local taxes or surcharges, including sales, use, excise, gross earnings, and gross income taxes. All such taxes shall be separately shown and charged on bills rendered by Company or its billing agent pursuant to applicable rules or laws. Sales and use taxes shall be applied to all charges and shall also be applied to all applicable gross earnings, gross revenue and gross income taxes.

9. Payment will be due as specified on the Customer bill. Commencing after that due date, a late charge of up to the highest interest rate allowable by law will be applied to all amounts past due.

10. Collection procedures and the requirement for a deposit are unaffected by the application of a late payment charge. The late payment charge does not apply to unpaid balances associated with disputed amounts.

Undisputed amounts on the same bill are subject to the late payment charge if unpaid and carried forward to the next bill.

11. Service may be denied or discontinued at the Company's discretion for nonpayment of amounts due the Company past the due date as specified here. Restoration of service will be subject to all applicable installation charges.

12. In cases where the Company issues direct bills to Customers, and payment by check is returned for insufficient funds, or is otherwise not processed for payment, there will be a charge of \$20 or the maximum amount allowed by law, whichever is less. Such charge will be applicable on each occasion when a check is returned or not processed.

13. In the event of nonpayment of any bill rendered or any required deposit, the Company may, after written notice, suspend service to the Customer.

14. Credit for failure of service will be allowed only when failure is caused by or occurs in the Company's facilities or equipment owned, provided and billed for by the Company.

15. Credit allowances for failure of Service or equipment starts when the Customer notifies the Company of the failure and ceases when the operation has been restored and an attempt has been made to notify the Customer by the Company.

16. Only those portions of the Service or equipment operation disabled will be credited.

Continued use of the service constitutes acceptance of these terms and conditions of service.