



GENERAL TERMS AND CONDITIONS

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Introduction

- i. These General Terms and Conditions ("Terms and Conditions") contain the regulations and provisions governing the use of the telecommunications and Internet Services ("Services") described herein and provided by the companies that make up PC Telcom. PC Telcom consists of three separate Colorado-based companies: Phillips County Telephone Company, Phillips County Communications, LLC and PC Telcorp, Inc. In these Terms and Conditions, any of these companies or all of them together are, as applicable, referred to as the "Company" or "PC Telcom".
ii. The Customer's use or application for any of the Services provided by the Company shall constitute an acceptance of and agreement to these Terms and Conditions and as they may be amended from time to time.
iii. The Company may modify these Terms and Conditions, including rates upon advance written notice to the Customer. The most current version of these Terms and Conditions can be found on the Company's web site at www.pctelcom.coop or at the Company's business office at 240 S. Interoccean, Holyoke, Colorado 80734 between the hours of 8:00 a.m. and 5:00 p.m, Monday through Friday. Any changes to the Terms and Conditions become effective on the Effective Date set forth in the written notice. By continuing to accept or use the Company's Services after the Effective Date, the Customer agrees to the Terms and Conditions as modified. If the Customer disagrees with any of the changes (including changes in prices or other charges), the Customer may discontinue the Service to which the changes apply by giving notice to the Company in the manner provided in these Terms and Conditions.

iv. All Services or features offered by the Company, whether or not described herein, will be subject to these Terms and Conditions and to additional terms and conditions specifically applicable to those Services or features, as described in a Service Agreement, customer order form, Terms of Service, or Company Tariff.

v. These Terms and Conditions are subject to any tariffs, Terms of Service, and governmental regulations applicable to the Services provided by or through the Company.

GENERAL TERMS AND CONDITIONS

1. Definitions. Many words and terms have been particularly defined by the Company and others in the telecommunications industry which are used in these Terms and Conditions. These words are generally noted by an initial capital letter. For those terms not defined in these Terms and Conditions, the definitions used by the Company can be found at its website at <http://www.pctelcom.coop> or a copy can be obtained at the Company's business office during normal business hours.

2. Undertaking of the Company. The Company arranges for or provides the Services described in these Terms and Conditions. Not all Services described may be provided directly by the Company, as some may be subcontracted to other service providers. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Customer, to allow connection of a Customer's location to the Company's network or to various Services; or the Company may facilitate the access of the Customer to certain Services.

3. Service Descriptions. Following are the Services offered by the Company. Indicated Exhibits to the Terms and Conditions contain service descriptions as well as service specific terms and conditions incorporated herein by reference.

3.1 Landline

- 3.1.1 Local
- 3.1.2 Long Distance
- 3.1.3 International
- 3.1.4 Calling Features

3.2 Internet Services

3.3 Digital Voice/VOIP

3.4 Equipment Lease/Purchase

3.5 Ethernet Transport Services

3.6 Ala Carte Services (IT Support, Constructions, Etc)

3.7 Emergency Response Service

3.8 Inside Wiring Service Plans

3.9 Open Internet Policy

4. Application for Service; Credit.

4.1 Any member of the general public or a legally organized entity is entitled to obtain Services under these Terms and Conditions ("Customer"), provided that the Company reserves the right to deny access to Services: (a) to any Customer that, in the Company's reasonable opinion, presents an undue risk of non-payment, (b) in circumstances in which the Company has reason to believe that the use of the Service(s) would violate these Terms and Conditions, applicable laws, or regulations, or (c) if insufficient facilities are available to provide the Services.

4.2 The Company may require a Customer to sign an Application for Service and/or a Service Agreement and to establish credit worthiness as a condition precedent to the initial establishment and continued use of a Service

through an investigation of the Customer's credit history. By delivering an Application for Service or a Service Agreement to the Company, the Customer consents to and authorizes the Company to investigate the Customer's credit history. The Company may report the Customer's credit and payment performance to credit reporting agencies. The Service Agreement for an individual Service may contain terms and conditions that are in addition to these Terms and Conditions.

5. Use/Misuse of Service.

5.1 The Services offered by or through the Company may be used for any lawful purpose for which the Services are technically suited. All charges and other amounts due under applicable Service Agreements or other arrangements, whether authorized or not, will be the Customer's responsibility. If more than one party is named in a Service Agreement as a Customer, liability shall be joint and several. Published prices are subject to change without prior notice, except for notices required for regulated services. The Customer shall be liable for all obligations under these Terms and Conditions and any applicable Service Agreements notwithstanding any sharing, reselling or rebilling of the Services and regardless of the Company's knowledge of the same. The Company shall have no liability to any person or entity other than the Customer. The Customer shall not use nor permit others to use any Service in a manner that could harm the facilities of the Company or others or that is inconsistent with these Terms and Conditions or any applicable law or regulation.

5.2 The Company may immediately discontinue service for misuse, fraudulent use, or any use which the Company determines, in its reasonable judgment, negatively affects its system or other Customers' use of the Services or system, or is in violation of law, including but not limited to unauthorized Caller ID spoofing, auto-dialing, or robocalling. The Customer shall be responsible for any expenses incurred as a result of any of these actions.

6. Minimum Term. The minimum term for which a Service is provided and for which rates and charges are applicable is one (1) month unless otherwise stated or mutually agreed between the parties. When a Service is disconnected prior to the expiration of the minimum term, charges are applicable, whether the Service is used or not.

7. Billing and Payment.

7.1 Charges for installations, service connections, moves, rearrangements, and prepaid services, where applicable, are payable upon demand. Billing thereafter will include recurring charges and actual usage. Some charges at the date of invoice are pre-payment for the next month's fees as well as usage charges incurred during the prior month.

7.2 Rates for the Services provided by the Company are published on the Company's Website or may be obtained from the Company at its principal business office. Rates are subject to change at any time without notice other than required notices in connection with regulated services.

7.3 The Customer is responsible for payment of all charges for Services furnished to the Customer or any other user, regardless of whether the use is by an Authorized User. This responsibility is not changed due to any use, misuse, or abuse of the Customer's Services or equipment by third parties, the Customer's employees, or the public. This includes payment for Calls or other Services that originate at the Customer's number(s), are accepted at the Customer's numbers (e.g., collect calls), Third Number Billing, Travel Card Calls, or the use of a Company assigned special billing number, or incurred at the specific request of the Customer.

7.4 The following shall apply to financial arrangements for Services provided to Customers:

7.4.1 Customer shall pay all applicable charges relating to Customer's account(s) in accordance with published rates and Service Agreements in effect at the time of use. Charges for the first month's bill will be prorated from the date of service to the end of that billing period.

7.4.2 Payments are due on the fifteenth (15th) day of the month. Customers may be assessed a late fee of \$5.00 for landline telephone, Internet, and Digital Voice Telephone (VoIP) per month on any payment not paid by the due date. Company will attempt to collect returned or declined checks and bank drafts two times; after such attempts, Customer will incur service charges and discontinuation of service.

7.4.3 The Company reserves the right to examine the credit record of the Customer. If the Customer's financial condition is unknown or unacceptable to the Company, the Customer may be required to provide a security deposit. The amount of the security deposit may vary depending on credit history and projected usage, but will not exceed two (2) months estimated charges. A security deposit in no way relieves the Customer from the prompt payment of bills upon presentation.

7.4.4 If a security deposit is required, it will be collected prior to installation and activation of service.

7.4.5 If a Customer applies for cooperative membership in Phillips County Telephone Company, or obtains or utilizes credit privileges or acquires goods or services from any of its entities, the Customer shall be construed to have granted to the company providing the credit privileges or the goods and services a security interest in and to all equity accounts or other investments of Customer of any kind or nature, if any, whether now owned or hereafter acquired, in Phillips County Telephone Company to secure payment of all outstanding charges due from Customer for the extended credit or goods or services. For purposes of this paragraph 6.4.5, equity accounts and other investments include without limitation, any certificate of indebtedness, note, share or capital credits under which Customer may at some time be entitled to receive payments or distributions from one or more of the entities constituting PC Telcom. The Customer does not have the right to demand offset of any equity account or other investment against any amounts due from Customer to one of the companies. Such an offset may be made only at the discretion of the Board of Directors of Phillips County Telephone Company, subject to all Federal and State laws, and the Board may terminate all further credit privileges of the Customer until all outstanding charges are paid in full. If approved by the Board of Directors of Phillips County Telephone Company, capital credits from the customer's capital credit account shall be transferred to the appropriate PC Telcom affiliate for offset of the amount owed under the credit account. Customers who are Members and who purchase goods or services from, or have outstanding credit balances due to the Company, specifically authorize PC Telcorp, Inc., and Phillips County Communications LLC., at their sole option, to request an application of the Customer's equity accounts and other investments in Phillips County Telephone company to amounts due from the Customer.

7.5 If required, deposits and advance payments will depend on the specific Services and equipment obtained from the Company and/or a third party providing the Service or equipment in connection with the Services provided by the Company.

7.6 The Customer may elect to make due payments by cash, check, money order, bank draft, credit or debit card. Recurring payments initiated by the Company through Bank drafts and credit/debit card payments will be presented for payment electronically on the 10th of the month or the next business day if the 10th falls on a Saturday or Sunday. Payments initiated by the Customer are due no later than the 15th of the month.

7.7 Disputes with respect to charges must be presented to the Company in writing within ninety (90) days from the date of the invoice or such will be construed to be correct and binding on the Customer.

7.8 In the event suit is brought or an attorney is retained by the Company to enforce these Terms and Conditions, or collect or attempt to collect any charges owed to the Company, the Company shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorney's fees, court costs, costs of investigation, and other related expenses incurred in connection therewith.

7.9 Accounts cancelled due to non-payment will be reported to a credit reporting agency

8. Taxes, Fees and Other Charges. The Customer agrees to pay applicable federal, state and local government taxes, fees and surcharges and any other applicable fees and charges, such as those that result directly or indirectly from government regulations or mandates. Such taxes, fees, charges, and surcharges are in addition to the rates for the Services provided by or through the Company and will be itemized separately on Customer invoices. If an entity other than the Company (e.g., another carrier or a supplier), imposes charges on the Company in connection with a service, said charges may be passed through to the Customer.

9. Terminal and Company Equipment.

9.1 The Company's telecommunications facilities and Services, including Internet Service, may be used with or terminated in Customer-owned terminal equipment, electronic devices or communications systems such as, but

not limited to, a PBX, key system, single line telephone, modem, router, etc. ("Terminal Equipment"). All Terminal Equipment beyond the point of demarcation shall be furnished and maintained at the expense of the Customer. The Customer is responsible for all costs at the Customer's premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's Services. The Customer agrees to operate any Terminal Equipment or any other equipment in accordance with these Terms and Conditions and all applicable FCC Rules.

9.2 Except when title and ownership is specifically transferred to Customer, all telecommunications facilities, equipment and materials used by Company in providing Services to Customer ("Company Equipment") shall remain the sole property of Company (or in the case of equipment and materials provided by a third party provider, the third party provider). When Company Equipment is in the possession or under the control of Customer, Customer shall be fully responsible and liable to Company for any loss of or damage to any of the equipment or materials unless caused by a defect in the equipment or materials. If Company Equipment is located on Customer's Premises, Customer shall provide Company with reasonable access to said Equipment for maintenance and repair. Company shall have the right, without any liability whatsoever, to enter the Customer's premises to remove the Company's equipment and materials whenever (a) the Customer is in default with respect to any of the Customer's obligations to the Company (b) an agreement for the Services utilizing the Company Equipment and materials has been terminated, or (c) the Company replaces/upgrades said Equipment.

10. Interconnection

10.1 Services furnished by the Company may be interconnected with services or facilities of other authorized telecommunications common carriers and with private systems and equipment, as applicable, subject to technical limitations established by the Company. Service furnished by the Company is not part of a joint undertaking with such other common carriers or systems. The Company does not undertake to provide any special facilities, equipment, or services to enable the Customer to interconnect the facilities or the equipment of the Company with services or facilities of other common carriers or with private systems or equipment.

10.2 Connection to or interconnection with the services or facilities of other common carriers or third party providers shall be under the applicable terms and conditions of these Terms and Conditions and the other common carrier's or third party provider's tariffs and/or terms and conditions. In case of a conflict between the Company's Terms and Conditions and the tariffs or terms and conditions of a common carrier or a third party provider, the tariffs or terms and conditions of the common carrier or third party provider shall prevail unless they clearly provide the Company's Terms and Conditions are to prevail. If Customer is not provided a copy of applicable policies, terms or conditions of a common carrier or a third party provider in connection with services provided by a common carrier or third party provider, Customer may contact Company's principal business office during ordinary business hours for a copy or to be advised where a copy may be obtained.

11. Inspection, Testing, and Adjustment. In the event testing and inspection of any System or any Equipment are conducted as a routine matter, Services may be interrupted without liability for a credit allowance or any other action for interruption of said services.

12. Credit Allowances for Interruption of Service.

12.1 Credit allowances for interruption of Services which are NOT due to the Company's inspection or testing, or to the negligence of the Customer, or to the failure of Terminal Equipment are subject to the general liability provisions set forth herein. Credit allowances for interruptions of third party Services are not the responsibility of the company and must be addressed with the third party.

12.2 Customer is obligated to notify the Company immediately of an interruption in Services for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or Terminal Equipment, if any, furnished by Customer.

12.3 If the Company determines, in its discretion, that a credit is appropriate, the Customer shall be credited at the rate of 1/30th of the monthly charge for the Services affected for each day that the interruption continues. For purposes of credit computation, every month shall be considered to have 30 days and shall be calculated using the following credit formula: $Credit = A/30 \times B$ where A is the outage time in days and B is the total monthly charge for the affected service.

13. Cancellation by the Customer. The Customer may cancel Services upon written or verbal notice to the Company. The Customer is responsible for all applicable charges and payment for Service furnished until the later of the cancellation date specified by the Customer, the date that the written cancellation notice is received, or through the end of the applicable billing cycle. Services provided by a third party may be cancelled in accordance with the requirements of the third party.

If Customer terminates before end of any Service Agreement or any contract for Services, Customer is responsible for the following:

- Landline Telephone - No early termination fees for standard telephone
- Digital Voice Telephone / VoIP - Any promotional amount credited to the account or not previously billed to the account. Business - \$100.00 per seat.
- All Internet services - \$100.00 plus any promotional amount credited to the account or not previously billed to the account.
- Equipment - See Supplemental Terms and Conditions for Equipment and/or Digital Voice Telephone/VoIP

14. Discontinuance of Service

14.1 Upon nonpayment of any sum that is more than 30 days overdue to the Company, or any violation of any provisions governing the furnishing of Services subject to these Terms and Conditions or under an applicable Service Agreement, the Company may, upon written notice to the Customer and without incurring any liability, immediately terminate and disconnect the Services. The Customer shall be deemed to have cancelled the Services as of the date of disconnection and shall be liable for any cancellation charges set forth in these Terms and Conditions or in any applicable Service Agreement.

14.2 Upon Company's suspicion of unlawful use of Services, fraud, or possible harm to the Company's personnel, agents, or facilities by Customer, Services may be discontinued without notice or liability. Services will be restored when the risk is removed.

14.3 The remedies set forth in these Terms and Conditions are not exclusive and the Company shall be entitled to all rights available under an applicable Service Agreement and under either law or equity.

15. Restoration of Service. If Services have been terminated for nonpayment or as otherwise provided herein and the Customer wishes Services to continue, the Services may, at the Company's discretion, be restored when all past due amounts are paid or the event giving rise to the termination (if other than nonpayment) is corrected.

16. Use of Recording Devices. Customers and Authorized Users who use recording devices do so at their own risk. A Customer or Authorized User may only use a recording device if the Customer or Authorized User complies with all State and Federal laws.

17. Special Customer Arrangements. Should Customer request special arrangements for equipment and services, Customer will be charged accordingly for any equipment, ancillary costs incurred and/or projected and associated with said special arrangement.

18. Liability of the Company. THE FOLLOWING PROVISIONS STATE LIMITATIONS OF THE COMPANY'S LIABILITY.

18.1 **CUSTOMER WARRANTIES.** You represent and warrant that you are at least 18 years of age and are legally authorized to enter into this Agreement. You warrant that you are legally empowered to authorize the Company to enter upon the premises for the purpose of (a) placing broadband lines in the utility easement on the property, including, if necessary, an above ground pedestal in the easement; (b) attaching wiring and equipment to the structure; and (c) installing, maintaining, repair, and disconnecting Service.

18.2 **WARRANTY DISCLAIMER; LIMITATION ON DAMAGES.** SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED. THE COMPANY DOES NOT WARRANT THAT THE SERVICE WILL BE UNINTERRUPTED OR ERROR FREE. a.) The Company makes no warranty, express or implied, including any warranty of merchantability, fitness for a particular purpose or non-infringement of either the Equipment or Service furnished hereunder. b.) Limitation of Liability. The Company and its officers, directors, agents, employees shall not be liable to Customer for indirect,

special, incidental, consequential, punitive, or exemplary damages arising out of or in connection with the Service or any acts or omission associated therewith, including any acts or omissions by subcontractors of the Company, or relating to any services furnished, whether such claim is based on breach of warranty, contract, tort or any other legal theory and regardless of the causes of such loss or damages or whether any other remedy provided herein fails. c.) Customer Exclusive Remedy. The Company's entire liability and Customer's exclusive remedy with respect to the use of the Services or any breach by The Company of any obligation The Company may have under these Terms and Conditions shall be Customer's ability to terminate the Service or to obtain the replacement or repair of any defective Equipment. In no event shall The Company's liability to Customer for any claim arising out of this Agreement exceed the amount paid by Customer during the preceding thirty (30) day period.

18.3 CUSTOMER INDEMNIFICATION. YOU AGREE THAT YOU SHALL BE RESPONSIBLE FOR AND SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE COMPANY AND ITS EMPLOYEES, AFFILIATES, SUPPLIERS, AGENTS AND CONTRACTORS AND SHALL REIMBURSE THE COMPANY FOR ANY DAMAGES, LOSSES OR EXPENSES (INCLUDING WITHOUT LIMITATION, REASONABLE ATTORNEY'S FEES AND COSTS) INCURRED BY THE COMPANY IN CONNECTION WITH ANY CLAIMS, SUITS, JUDGMENTS AND CAUSES OF ACTION ARISING OUT OF (i) YOUR USE OF THE SERVICE OR EQUIPMENT; (ii) VIOLATION OR INFRINGEMENT OF CONTRACTUAL RIGHTS, PRIVACY, CONFIDENTIALITY, COPYRIGHT, PATENT, TRADEMARK, TRADE SECRET, OR OTHER INTELLECTUAL PROPERTY AND PROPRIETARY RIGHTS ARISING FROM YOUR USE OF THE SERVICE OR ANY UNAUTHORIZED APPARATUS OR SYSTEM; AND (iii) YOUR BREACH OF ANY PROVISION OF THIS AGREEMENT.

19. Company as Agent. Where any third party Services are offered through, or made available by the Company, the Company shall be construed to be only an agent for the third party provider and the Customer's relationship shall be, unless otherwise clearly stated, a direct relationship with the third party provider.

20. Company Trademark. A Customer shall not use any service mark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion, or publication of the Customer without prior written approval of the Company.

21. Company's Articles of Incorporation and Bylaws. All members of the Company, whether they are a Customer or not, shall be subject to applicable provisions of the Company's Articles of Incorporation and Bylaws.

22. Dispute Resolution. Should a legal dispute arise between the Company and the Customer, the parties shall submit the dispute to binding arbitration in accordance with the rules and procedures of the American Arbitration Association, unless the applicable specific Service Agreement in the dispute provides otherwise.

23. Complete Agreement. The Customer agrees that an applicable Service Agreement or other agreement, if any, these Terms and Conditions (including materials referenced in them), the Company's Articles of Incorporation and Bylaws, where applicable, and the Company's published rates make up the complete and exclusive agreement between the Customer and the Company with respect to particular Services covered by them and that they, taken together, supersedes any proposal or prior agreement, oral or written. The Customer acknowledges that no Company employee or agent is authorized to make any representation or warranty with respect to any agreement between the Customer and the Company except as is provided in those materials. If the Company waives or fails to uphold or enforce any provision of any of those materials, it shall not be construed as a waiver of any other provision or as a waiver of a violation by the Customer of the same provision on a different occasion.

24. Notices. Except as otherwise specifically provided in these Terms and Conditions, any notices to be given to the Customer in connection with any agreement between the Customer and the Company shall be sufficient if given (i) personally, (ii) by United States mail to Customer at the billing address on file with the Company, or by e-mail to Customer at a Customer e-mail address on file with the Company. Notice to the Company shall be given to it in the same manner at its principal business office or at its e-mail address on the Company's website.

25. Tariffs. All terms and conditions set forth herein are in addition to any such terms and conditions set forth in any of the Company's Tariffs applicable to a particular Service and in no way limit, restrict, modify, amend or waive the same. In the case of a conflict between these Terms and Conditions and any applicable Company Tariff, the Tariff shall control. In addition, where any of the Services were governed by Tariffs filed by the

Company but the requirement for filing of the Tariffs has been eliminated, the terms of the last Tariff filed by the Company with respect to the particular Services shall continue to be applicable. The exception to using the last Tariff filed is whether the Service terms has been modified by these Terms and Conditions, Terms of Service, and applicable Service Agreement, or another agreement applicable to the particular Services.

26. General Provisions. In the event that any of the provisions of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable any other provision of this Agreement, and this Agreement shall be construed as if it did not contain such invalid or unenforceable provision. The Company shall not be liable for any delay or failure to perform its obligations if such delay or nonperformance arises in connection with any acts of God, fires, floods, strikes, or other labor disputes, unusually severe weather, acts of any governmental body, or any other cause beyond the reasonable control of the Company.

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