

C Payment Arrangements and Credit Allowances

C1 Advance Payments.

An applicant for service or facilities may be required to pay in advance of installation an amount not to exceed applicable service connection, installation or other non-recurring charges for one month of service. Where construction charges are applicable the payment thereof may be required in advance of start of construction.

C2 Deposits.

Applicants who are unable to establish a satisfactory credit rating with the Company or existing subscribers whose credit rating has become impaired may be required to deposit a sum up to an amount equal to two (2) months estimated billing. When service is terminated, any balance of the amount deposited remaining after deduction of all sums due the Company will be returned to the subscriber. The Company shall review for refund after nine (9) months (the first time) and annually thereafter until satisfactory credit has been established. At review time, the Company shall pay either by direct payment to the subscriber or by crediting to the subscriber's account all accrued interest. Whenever a deposit from any residential subscriber is required, said subscriber shall be permitted to pay it in three consecutive equal monthly installments whenever the total amount of the required deposit exceeds the sum of forty dollars (\$40.00). Provided, however, that the Company shall have the discretion to allow payment of any deposit (more or less than \$40.00 total) over a long period of time to avoid undue hardship.

Interest on deposits will be paid at a rate equal to the average of the one year Treasury bill rate for the last quarter of the preceding year less two percent (2%). Calculations are as simple interest.

C3 Bad Check Charge.

The Company may impose and collect a service charge for every check received in payment of a subscriber's account, which check is lawfully dishonored by the payer bank. The service charge shall be uniformly applied to all subscribers of the Company.

C4 Payments for Service.

All charges due by the subscriber are payable at the Company's Business Office or at any agency duly authorized to receive such payments. If objection, in writing, is not received by the Company within thirty days (30) after the bill is rendered, the account shall be deemed correct and binding upon the subscriber.

All bills for exchange services, toll service and equipment are due on receipt and payable at the office of the Company, or at an authorized collection agency, within thirty days (30) after the date on which the bill is delivered to the U.S. mail. The subscriber is responsible for payment of all charges for services furnished the subscriber, including charges for services originated or charges accepted at the subscriber's location. When warranted, in the judgment of the Company, special toll bills may be rendered. In such cases the amounts billed are due and payable on demand.

All bills are due when rendered and payable within thirty days after the bill is rendered. A late charge of 1.5% per month shall be imposed on all past due balance. Partial payment of bills may be assigned to pay for local services before being applied to long distance services. The Company may discontinue service after the subscriber has been given at least five days written notice.

When the service has been disconnected for non-payment, the service agreement is considered terminated. Re-establishment of service may be made only upon the execution of a new service agreement.

In its discretion, the Company may restore or re-establish service which has been suspended or disconnected for nonpayment of charges, prior to payment of all charges due. Such restoration or re-establishment shall not be construed as a waiver of any rights to suspend or disconnect service for non-payment of any such or other charges due and unpaid or for the violation of the provisions of the Bylaws; nor shall the failure to suspend or disconnect service for non-payment of any past due account or accounts operate as a waiver or estoppels to suspend or disconnect service for non-payment of such account or of any other past due account.

C5 Allowance for Interruptions.

When the use of service or facilities furnished by the Company is interrupted due to any cause other than the negligence or willful act of the subscriber or the failure of the facilities provided by the subscriber, a pro rata adjustment of the fixed monthly charges involved will be allowed, upon request of the subscriber, for the service and facilities rendered useless and inoperative by reason of the interruption during the time said interruption continues in excess of twenty-four hours from the time it is reported to or detected by the Company, except as otherwise specified. For the purpose of administering this regulation, every month is considered to have thirty days.

C6 Provision for Certain Local Taxes and Fees.

If a municipality or political subdivision collects or receives any payment or payments or any telephone service without charge or at reduced rates from the Company for or by reason of the use of the streets, alleys or public places or a municipality or political subdivision by reason of the operation Company's business or any portion or phase thereof in the municipality or political subdivision or by reason of an agreement between the municipality or political subdivision and the Company, whether such payments or such service be called a license, occupational, privilege, franchise or inspection tax or fee or otherwise, or whether in a lump sum, or at a flat rate, or based on receipts, or based on poles, wire, conduits or other facilities or otherwise, the aggregate amount of such payments and such service will be billed insofar as practical, pro rata to the exchange subscribers within such municipality or political subdivision; provided, however, the foregoing shall not apply to any such payment or payments or to any such telephone service without charge or at reduced rates during the term of any agreement or arrangement now in effect.

C7 Default on Amounts Due- Collection of Unpaid Accounts.

When a member fails to settle an unpaid account within 60 days, the company may, at its option, turn the account over to an outside party or agency for collection. All reasonable costs incurred in collecting an unpaid account will be assigned to the delinquent account. If collection efforts require legal action, reasonable attorneys fees will also apply to the delinquent account. The company or its agent may accept reasonable settlement arrangements in cases of hardship otherwise payment in full is expected.