

Rates.

BalsamWest Fibernet, LLC Long Distance Pricing Schedule

Effective Date: May 1, 2011

Version 1

This document contains the services and rates for the furnishing of resold international telecommunications services offered by BalsamWest FiberNET, LLC between the United States and foreign locations as reflected herein; interstate, that is state to state, services offered by BalsamWest FiberNET, LLC within the United States and intrastate services offered by BalsamWest FiberNET, LLC between Local Calling Areas within the state of North Carolina.

RECENT CHANGES

When BalsamWest FiberNET, LLC makes substantive changes in its Pricing Schedule, including rate increases, this Recent Changes page will list the affected sections and briefly summarize the changes.

Rate decreases, minor textual changes and/or editorial changes will not be noted.

APPLICATION OF PRICING SCHEDULE

A. This Pricing Schedule (“Schedule”) contains the description, terms and rates applicable to the provision of resold **INTERNATIONAL; DOMESTIC INTERSTATE AND DOMESTIC NORTH CAROLINA INTRASTATE TELECOMMUNICATIONS LONG DISTANCE CALL SERVICES** by BalsamWest FiberNET, LLC (“Company”), and any of its affiliates and/or subsidiaries from originating location(s) in the United States to international locations as specified herein and to all points in other States or within a State.

B. Purchase of services pursuant to this Schedule will indicate Customer acceptance of the Company’s general service Terms and Conditions (“Service Terms”) as stated herein. The Service Terms are posted on the Company web site at: www.balsamwest.net and may be changed at anytime without prior notice.

C. The rates and terms contained in this Schedule do not apply, unless otherwise specified, to lines, facilities, or services provided by another Carrier.

D. All services provided under this Schedule are directly or indirectly controlled by the Company. Neither the Customer nor the Subscriber may transfer or assign the use of services or facilities without the express written consent of the Company. All regulations and terms contained in this Schedule shall apply to all permitted assignees or transferees, as well as all conditions of service.

E. Company may not be deemed to have waived or impaired any right, power, requirement or option reserved by this Schedule (including, but not limited to, the right to demand exact compliance with every rate, term and condition herein), by virtue of any custom or practice of Company at variance with the terms hereof, or any failure, refusal or neglect of Company to exercise any right under this Schedule or to insist upon exact compliance with its terms, or any waiver, forbearance, delay, failure or omission by Company to exercise any right, power or option hereunder.

F. The rates, terms and conditions contained herein are subject to change from time to time by the Company without notice.

1. DEFINITIONS AND ABBREVIATIONS

1.1. Definitions

Call – A completed connection between the Calling and Called parties.

Calling Station or Calling Party – The telephone number from which a call originates.

Called Station or Called Party – The telephone number called.

Carrier – An entity other than the Company that provides telecommunications service.

Company – BalsamWest FiberNET, LLC.

Commission – The Federal Communications Commission.

Country Code – A two (2) or three (3) digit number that precedes the Called Station in an international telephone Call and that identifies each country or integrated numbering plan in the world.

Customer, Subscriber or End User – A person, association, firm, corporation, partnership, governmental agency or other entity, including affiliates or divisions of the Customer, in whose name the telephone number of the Calling Station is registered and who is responsible for payment of charges to the Company and compliance with the terms and conditions specified herein.

Disconnect – To render inoperable or disable circuitry thus preventing outgoing and incoming communications services.

Foreign Communications – Communications or transmissions from or to any place in the United States to or from a Foreign Country.

Foreign Country – A country other than the United States of America.

Incomplete – Any call where voice transmission between the Calling and Called Station is not established.

Incumbent Local Exchange Carrier (“ILEC”) – A local exchange carrier as defined in 47 U.S.C. § 251(h).

Local Calling Area - The local exchange service area, and any associated mandatory Extended Area Service (“EAS”). The terms "Exchange" and "EAS" shall be as defined in ILEC's local exchange tariffs.

Message – A completed telephone Call by a Customer.

Normal Business Hours – The hours of 9:00 AM to 5:00 PM, Eastern Time, Monday through Friday, excluding holidays.

Premises – The space occupied by a Customer in a building

Rate – Money, charge, fee or other assessment billed to the Customer for services and equipment.

Remote Serving Areas – The Local Exchange Carrier (LEC) service areas that are deemed to be remote or rural under applicable law or regulations and have a high cost of access call terminations or originations as defined by the LEC access tariffs; including, but not limited to National Exchange Carrier Association (NECA) companies and ILECs serving largely rural areas.

Service Order – Any service orders, contracts or agreements for the (i) provision of Services, or (ii) lease of Equipment, or (iii) any maintenance or other service related to (i) or (ii) foregoing, together with any service orders, modification requests, work orders or similar instruments for the installation, addition, deletion, moving, removal, reconfiguration, replacement or modification of such Services or Equipment from time to time.

Underlying Carrier – A provider of telecommunications services from whom the Company acquires services that it resells to Customer.

Uncollectible Payment – Any form of payment used by the Customer that results in the Company's inability to collect the invoiced amount due from the Customer; including, but not limited to, credit card and electronic funds transfer payments.

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

United States Territory– The forty-eight (48) contiguous states, Hawaii and the District of Columbia.

United States Extended Territory – The state of Alaska as well as US Territories, including American Samoa, Guam, Puerto Rico, North Mariana Islands, and the U.S. Virgin Islands.

User – Customer or any person that utilizes the Company's services.

1.2. Abbreviations

FCC – Federal Communications Commission

POP – Point of Presence

V&H – Vertical and Horizontal Coordinates

2. TERMS AND CONDITIONS

2.1. Company Undertaking.

2.1.1. The Company undertakes to provide resold international, interstate and intrastate voice telecommunications service between points within the United States in different Local Calling Areas and between points in the United States and those Foreign Countries as specified in this Schedule.

2.1.2. The Company's services and facilities are available twenty-four (24) hours per day, seven (7) days per week.

2.1.3. The Company installs, operates and maintains the telecommunications services provided herein in accordance with the terms and conditions as set forth in this document.

2.1.4. The Company's Customer Service Department for billing and service inquiries may be reached by calling toll-free at (888) 225-7266 during Normal Business Hours. Customers wishing to communicate with the Company in writing may send its correspondence to: 52

Colonial Square, Sylva, NC 28779.

2.2. Limitations on Service

2.2.1. All service is subject to the availability of suitable facilities. The Company reserves the right to limit the length of communications or to discontinue furnishing services when necessary because of the lack of transmission medium capacity or limitations caused by natural or artificial conditions affecting transmission or because of any causes beyond its control.

2.2.2. Service is furnished to Customers for any lawful purpose and Customers must comply with the Company's terms for use of service as stated in the Service Terms.

2.2.3. The Company reserves the right to discontinue service, limit service, or to impose requirements on Customers as required to meet changing regulatory or statutory rules and standards, or when such rules, standards have an adverse material affect on the business or economic feasibility of providing service, as determined by Company in its reasonable judgment.

2.2.4. 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 operation.

2.2.5. The use of Company's service without payment for service or attempting to avoid payment by fraudulent means or devices is prohibited.

2.2.6. The use of Company's service to make calls which reasonably might be expected to frighten, abuse, torment or harass another is prohibited.

2.2.7. The Company's services may be denied for noncompliance with the Commission's regulations or for other violation of the terms and conditions set forth herein.

2.3. Limitations of Liability

2.3.1. 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.

2.3.2. The Company is not liable to the Customers for interruptions in service.

2.3.3. 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.

2.3.4. The Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.

2.3.5. The Company shall not be liable for any delay or failure of performance or equipment caused in whole or in part by Acts of God, fires, terrorism, war, riot, emergency, government actions, equipment or facility unavailability; by relocation, floods, earthquakes, hurricanes, or other catastrophes; by national emergencies, insurrections or other civil commotions; by strikes, work stoppages or other labor difficulties; by criminal actions taken against the Company; by unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; or by causes beyond its reasonable control, including without limitation the failure of an incoming or outgoing call, failure of 9-1-1 service or location services, priority access or secured call service.

2.3.6. The Company shall not be liable for and the Customer shall indemnify and hold the Company harmless against any claims for loss or damages involving:

2.3.6.1. Any act or omission of: (a) the Customer, (b) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by the Company;

2.3.6.2. Any unlawful or unauthorized use of the Company's facilities and services;

2.3.6.3. Libel, slander, infringement of patents, trade secrets, or copyrights or unauthorized use of any trademark, trade name or service mark arising from or in connection with the transmission of communications by means of Company-provided facilities or services; or by means of the combination of Company-provided facilities or services with Customer-provided facilities or services;

2.3.6.4. Breach in the privacy or security of communications transmitted over the Company's facilities;

2.3.6.5. Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance;

2.3.6.6. 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;

2.3.6.7. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities;

2.3.6.8. Any wrongful act of a Company employee when such act is not within the scope of the employee's responsibilities for the Company and/or is not authorized by

the Company;

2.3.6.9. Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this Schedule;

2.3.6.10. Any incomplete calls due to network busy conditions or when the service is unavailable;

2.3.6.11. Loss or theft of calling cards or authorization codes issued for use with the Company's services;

2.3.6.12. Any unused portion of the usage balance remaining on a calling card provided to a Customer before or after the expiration date assigned to each card.

2.3.7. The Customer shall reimburse the Company for all costs, expenses and attorney's fees incurred by the Company in its defense against claims set forth in Section 2.3.6.

2.3.8. The Company assumes no responsibility for the availability or performance of any facilities under the control of other entities that are used to provide service to the Customer, even if the Company has acted as the Customer's agent in arranging for such facilities or services.

2.3.9. Any claim against the Company shall be deemed waived unless presented to the Company within ten (10) days after the date of the occurrence that gave rise to the claim.

2.3.10. 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 Customer should not rely on any such statement.

2.3.11. Even if the Company has been advised of the possibility of damages, the Company is not liable to Customer, Customer employees, agents, end users or any third parties for any damages arising from use of the service, including, without limitation: incidental, consequential, special, exemplary, punitive or multiple damages; loss of privacy or security damages; intellectual property damages; or any damages whatsoever resulting from interruption or failure of service; lost profits, loss of business, loss of data, loss due to unauthorized access, cost of replacement products and/or services, suspension or termination of services or our inability to use the service, the content of any message or communication transmitted to or received by Customer; or losses resulting from purchase of goods or services through use of the service. Some jurisdictions do not allow the exclusion or limitation of incidental or consequential damages, or other modifications of or limitations to certain remedies. Where that is so, the above exclusions or limitations apply to the fullest extent permitted by law.

2.3.12. The maximum aggregate liability of the Company to Customer, and the exclusive remedy in connection with services provided under this agreement for any and all damages, injury, losses arising from any and all claims and/or causes of action related to the service shall be a refund or rebate of the prorated periodic or other fixed monthly service charges Customer has paid or owes for the applicable service. The existence of multiple claims or suits will not enlarge or extend this limitation of money damages.

2.4. Responsibilities of the Customer

2.4.1. All Customers must contact the Company to apply for the Company's services offered in this Schedule and assume general responsibilities in connection with the provision and use of the Company's service. All Customers must review the Company's legal terms and

conditions of telecommunications service as outlined herein and in the Service Terms.

2.4.2. Customers who use a recording device do so at their own risk.

2.4.3. Each Customer will be required to establish credit and maintain a good payment history. Any applicant whose credit has not been established or fails to maintain a good payment history of timely payments to the sole and exclusive satisfaction of the Company may be denied service.

2.4.4. Payment for service, credit approval and security deposit shall be as provided in the Company's Service Terms.

2.4.5. The Customer is responsible for placing any necessary orders, complying with the regulations specified herein and assuring that its Users comply with these regulations.

2.4.6. The Customer is responsible for all collect, third party, calling card or credit card calls billed to the Customer's numbers, even if billed after the service termination date. Should Customer request third party services from other providers, Customer acknowledges that Company may release the Customer's name and billing information to that third party so the third party can bill the Customer directly for those services. The Company assumes no liability for third party charges to the Customer.

2.4.7. 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.

2.4.8. If required for provisioning of the Company's services, the Customer must provide the Company, free of charge, with any necessary equipment space, supporting structure, conduit and electrical power.

2.5. Taxes, Surcharges and Other Assessments.

2.5.1. State and local sales, use and similar taxes, including gross receipts taxes, and surcharges required by law are billed as separate items and are not included in the rates specified herein.

2.5.2. The Company may impose other assessments or surcharges in order to recover expenses it incurs for collecting and submitting contributions to various government mandated funds and for other fees, charges or currency fluctuations it incurs as a result of the Company's provision of telecommunications service pursuant to this Schedule. Such charges, including but not limited to subscriber line access fees, Universal Service Fund ("USF") surcharges, Telecommunications Relay Service ("TRS") surcharges and currency

fluctuation adjustments, are billed as separate charges and are not included in the rates specified herein.

2.5.3. The Company may revise surcharges, adjustments and other assessments if those charges are revised, if the method by which a charge is calculated is revised and/or it deems any change to these charges to be otherwise appropriate under applicable, law, rules or industry guidelines.

2.6. Suspension and Restoration of Service. Service may be suspended due to nonpayment of invoices, including where a payment is uncollectible for any reason. In addition to the overdue amount, a restoration charge applies to the restoration of suspended service and is payable at the time that the restoration of the suspended service is arranged.

2.7. Refusal or Discontinuance of Service by Company.

2.7.1. The Company reserves the right to discontinue providing service without notice where the Customer is using service in violation of provisions of this Schedule, the Company's Service Terms or any Federal, State or municipal law, ordinance or regulation pertaining to telecommunications services provided hereunder.

2.7.2. 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 and service may be denied.

2.7.3. Service may be discontinued without notice in the event of unauthorized or fraudulent use of the services. Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.

2.7.4. Service may be discontinued when necessary for the Company to comply with any order or request of any governmental authority having jurisdiction.

2.7.5. Authorization or account codes are issued only by the Company to its Customers and may not be sold or otherwise distributed without the written consent of the Company. Any unauthorized or unlawful use of such account codes or authorization codes will result in the immediate termination of the service without notice.

2.7.6. Without notice the Company may block access when fraudulent or unlawful use is suspected.

2.8. Interruption of Service Availability and Credit Allowances.

2.8.1. General.

2.8.1.1. Credit allowances for interruptions of service which are not due to the Company's testing, maintenance or adjustments, to the negligence of the Customer, or

to the failure of the Customer's equipment or communications systems are subject to the general liability provisions set forth in Section 2.3 herein.

2.8.1.2. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service availability for which a credit is desired.

2.8.1.3. A service is interrupted when it becomes unusable to the Customer; e.g., the Customer is unable to transmit or receive communications due to a failure of a component furnished by the Company.

2.8.1.4. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and releases it for testing and repair, if applicable. An interruption period ends when the service, facility or circuit is operative.

2.8.1.5. If a Customer 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 inoperative.

2.8.1.6. No credit allowance will be made during any period whereby the Customer uses a service, facility or circuit on an impaired basis.

2.8.2. Application of Credits for Interrupted Services.

2.8.2.1. A credit allowance for an interruption of service for more than twenty-four (24) consecutive hours will be made in an amount which is a pro rata part of any monthly fixed charges paid in advance for the period of days service was inoperative. Charges resulting from usage will not be credited. For the purposes of credit determination, a month will be considered to have thirty (30) calendar days.

2.8.2.2. In the event the Customer is affected for a period of less than twenty (24) hours, no credit adjustment will be made. No adjustments will be earned by accumulating non-contiguous periods of interruption.

2.8.3. Limitations on Credit Allowances.

2.8.3.1. If the Customer elects to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

2.8.3.2. Credit allowances as described herein will be made only when reported by the Customer within ten (10) days of the date the service was affected.

2.8.3.3. No credit allowances will be made for any interruption of service:

2.8.3.3.1. due to negligence of or non-compliance with the provisions specified herein by any person or entity other than the Company, including but not limited to the Customer or other entities or companies connected to the service of the Customer;

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

2.8.3.3.3. due to circumstances or causes beyond the control of the Company;

2.8.3.3.4. 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;

2.8.3.3.5. during any period in which the Customer uses the service on an impaired basis;

2.8.3.3.6. during any period in which the Customer has released the service to the Company for maintenance purposes or for implementation of a Customer order for change in service arrangement; or

2.8.3.3.7. that occurs or continues due to Customer's failure to authorize replacement of any element of special construction. 2.8.4. Unless otherwise agreed in a separate written agreement, credit allowances for service interruptions as described in this Section 2.8 will be given only to Customers who purchase International, Interstate and Intrastate Service from the Company.

2.9. Cancellation of Service.

2.9.1. Except where service is provided subject to a term commitment agreement, Customers may cancel service at any time, verbally or in writing by contacting the Company Customer Service Department. The Company shall hold the Customer responsible for payment of all charges, including fixed fees, surcharges, taxes, etc. which accrue up to and including the day the Customer stops using the service. Further charges, following the cancellation as described herein, may be avoided by dialing another carrier's access code.

2.9.2. In the event the Customer executes a term commitment agreement with the Company, the Customer must cancel service and terminate the agreement in accordance with the commitment agreement terms.

2.10. Other Rules.

2.10.1. The Company may temporarily suspend service without notice to the Customer, by blocking traffic to certain cities or NXX exchanges, or by blocking calls using certain originating numbers, personal identification numbers, account codes or authorization codes when the company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as service can be provided without undue risk.

3. EXPLANATION OF RATES

The terms set forth in this Section 3 explain how to apply the rate tables associated with the service offerings described in Section 4, following.

3.1. Timing of Calls and Calculation of Billable Usage

3.1.1. Billing for Calls placed over the Company's network is based in part on the duration of the Call. Timing of each Call begins when the Called Station is answered, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the

software utilizing audio tone detection. Timing ends when the Called Party hangs up.

3.1.2. Operator handled calls, including but not limited to Person-to-Person and Collect Calls, are not offered by the Company under this Schedule.

3.1.3. For billing purposes, international usage charges are calculated using a sixty (60) second increment with a sixty (60) second minimum per call. Interstate and

Intrastate usage charges are calculated using a six (6) second increment with a minimum per call of sixty (60) seconds. The Customer's monthly usage charges for the Company service are based upon the total number of minutes the Customer uses and the service options to which the Customer subscribes.

3.1.4. Where applicable, charges will be rounded up to the nearest penny.

3.2. Calculation of Distance

3.2.1. Where mileage bands appear in a rate table, rates for all calls are based upon the airline distance between the originating and terminating points of the call, as determined by the vertical and horizontal coordinates associated with the exchange (the area code and three digit central office code) associated with the originating and terminating telephone numbers. The vertical and horizontal coordinates ("V&H Coordinate") for each exchange and the airline distance between them will be determined according to the V&H Coordinate table as used on an industry wide basis and incorporated herein by reference.

3.3. Start of Billing

3.3.1. For billing purposes, the start of service is the day the Customer's service is prescribed to the Company or the Customer otherwise initiates use of the Company's services. The end of service date is the last day the Customer utilizes the Company's services following notice of cancellation to the Company, as allowed in Section 2.9.

3.4. Time Periods for Rate Applicability

3.4.1. The Company's rates are available 24 hours a day, 7 days a week without time of day restrictions unless otherwise stated.

3.5. Primary Interexchange Carrier Change Charges

3.5.1. When a Customer switches long distance service to the Company, the Customer's local exchange carrier may charge a primary Interexchange Carrier Change Charge ("PICC") for initiating the switch. At the Company's sole discretion, the Company may provide a credit to the Customer's in an amount equal to or less than the amount charged by the local exchange carrier. The Company may request proof of the charge prior to deciding whether or not to provide a Customer credit. If the Company agrees to provide a credit, it will be applied to the Customer's account within a commercially reasonable time period.

4. SERVICE OFFERINGS AND RATES

4.1. 1+ Long Distance International, Interstate and Intrastate Service Offering.

4.1.1. This is a 1+ long distance message telecommunications service provided between points in the state of North Carolina; points within the United States (state to state) or points between the United States and foreign locations. Customers subscribing to this service will be subject to the rates, terms and conditions of this Schedule as provided herein.

4.1.2. Service availability may be limited to specific geographic areas.

4.1.3. For fraud protection purposes the Company may impose a calling cap on usage in its sole discretion.

4.1.4. A one-time connection charge and a minimum Monthly Recurring Charge ("MRC"), that shall be invoiced in advance, will apply in addition to usage as follows:

One-time Connection Charge: \$50.00

Minimum Monthly Recurring Charge: \$25.00

4.1.5. Usage Rates per minute of use:

North Carolina Intrastate Rate \$0.30 *

Interstate Rate for United States Territory: \$0.30 *

Interstate Rate for United States Extended Territory: \$0.30 *

* The Company reserves the right to impose an additional surcharge on all Call usage where the monthly Call usage terminating to Remote Serving Areas exceeds ten percent (10%) of the total monthly Call usage.

International wireline and wireless termination per minute rates for all Foreign Countries are set forth in the Company's International Rate Schedule which is available on the Company web site at www.balsamwest.net.

4.1.6. Applicable taxes, fees and surcharges required, permitted and/or otherwise charged hereunder on the rates listed in this section may be applied as separate line items on a Customer's invoice and are not included in the rates in Section 4.1.5.

4.2. Miscellaneous Service Rates

Restore or Reconnect Charge - \$25.00

Uncollectible Payment Charge - \$50.00

Late Payment Charge – 1.5%, or the maximum interest allowed by law if less than 1.5%, applies to any balance not paid on time

Check Returned for Insufficient Funds - \$50.00

Other fees as incurred by the Company may apply for 900/976 Call Blocking, Electronic

Payment, Credit Card Fees, Move Orders, New Numbers, Add/Delete PIC Freeze and PIC Change