BLANCHARD TELEPHONE COMPANY

Schedule of

General Regulations

Applying to the Intrastate Services and Facilities of this Company in Michigan.

Issued: January 1, 2008 Effective: January 1, 2008 By: Ronald Farrel, President Blanchard, Michigan

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APPLICATION

A. APPLICATION OF REGULATIONS

- 1. The provisions contained in these Regulations apply to intrastate services and facilities furnished by the Blanchard Telephone Company, hereinafter referred to as the Telephone Company.
- 2. When services and facilities are provided, in part by the Telephone Company and in part by other companies, the regulations of the Telephone Company apply to that portion of the service or facilities furnished by it.

B. UNDERTAKING OF TELEPHONE COMPANY

- 1. The Telephone Company does not undertake to transmit messages but offers the use of its facilities for the transmission of communications.
- 2. The calling party and the called party are required to establish their identities to each other as may be necessary in the course of the communication and the responsibility for doing so rests with those parties.

C. EXPLANATION OF SYMBOLS

- (C) Signifies a change in regulation.
- (D) Signifies a discontinued rate, treatment or regulation.
- (I) Signifies an increased rate or new treatment resulting in increased rate.
- (N) Signifies a new rate, treatment or regulation.
- (R) Signifies a reduced rate or new treatment resulting in reduced rate.

DEFINITIONS

Authorized User

An "Authorized User" is a person, firm or corporation (other than the customer) on whose premises a station on the private line service or channel is located, and who may communicate over the private line or channel according to the terms of the Tariffs. An authorized user must be specifically named in the service contracted.

Base Rate Area

The term "Base Rate Area" refers to that portion (or the several portions) of the exchange area surrounding and including the central office (or offices or exchange rate center) within which urban classes of local telephone service are offered in that exchange at rates that do not vary with the distance from the central office or exchange rate center.

Channel

The term "Channel" designates the electrical path provided by the Telephone Company between two or more stations.

Contract

The term "Contract" refers to the service agreement between a customer and the Telephone Company under which facilities for communications between specified locations, for designated periods, and for the use of the customer and the authorized users specifically named in the contracts are furnished in accordance with the provisions of the Tariffs applicable.

Customer

The term "Customer" refers to the person, firm or corporation who signs the contract and is responsible for the payment of charges and the compliance with the rules and regulations of the Telephone Company.

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DEFINITIONS

Drop Service

The term "Drop Service" refers to the connection of an exchange (other than the two terminal exchanges) to a private line service or channel.

Exchange

The term "Exchange" means a unit established for the administration of telephone service in a specified area which usually embraces a city, town or village and its environs. It may consist of one or more central offices together with the associated plant used in furnishing communications service within that area.

Exchange Area

The term "Exchange Area" applies to the territory serviced by an exchange.

Extra Exchange Line Mileage

"Extra Exchange Line Mileage" is the measurement upon which charges are based for that portion of a local channel extending beyond the base rate area but within the exchange area.

Inter-exchange Channel

The term "Inter-exchange Channel" applies to that portion of a channel which interconnects the exchange in which the stations are located.

Local Channel

The term "Local Channel" applies to that portion of a channel which connects a station to the inter-exchange channel; it also applies to a channel connecting two or more stations within an exchange area.

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DEFINITIONS

Locality Rate

"Locality Rate" is the rate for telephone exchange service applicable in a designated locality outside the base rate area (such service within the locality is not subject to mileage charges).

Overtime

The term "Overtime" designates occasional service not contracted for and covering periods immediately proceeding or succeeding the period of service under contract.

Principal Central Office

The term "Principal Central Office" refers to the central office in a single office exchange or to that office (usually the toll office) of a multi-office exchange which is designated as such for the purpose of measuring local and interexchange channel mileages.

Private Branch Exchange

A "Private Branch Exchange" or Private Branch Exchange System, is an arrangement of equipment consisting of a switchboard with an operating telephone situated on a customer's premises, stations connected to that switchboard, and connected by trunks with a central office, provided for intercommunication between those stations, and for communication with the general exchange system of the Telephone Company and for toll service.

Service Point

The term "Service Point" when used in connection with inter-exchange mileage measurements denotes the rate center of the exchange in which the state of the customer is located. Where a station is not located in an exchange the location of the station is considered to be the rate center for the purpose of this definition.

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DEFINITIONS

Serving Central Offices

The term "Serving Central Offices" denotes the central office from which a customer or authorized user would normally be served for local exchange telephone service.

Single and Duplex Service

The terms "Single Service" and "Duplex Service" denotes types of arrangement of an inter-exchange channel provided for Private Line Morse or Private Line Teletypewriter Services. "Single Service" provides for communications in both directions, but not for communications in both directions simultaneously or for communications in one direction only. "Duplex Service" provides for communications in two directions on the same service simultaneously.

Station

The term "Station" as used in connection with private line services designates the transmitting and receiving equipment, located on the premises of a customer or authorized user and connected for private line service; the term "Station" as used in connection with channels denotes the premises of a customer at which the channel terminates.

Temporary Service

"Temporary Service" designates private line service furnished for a period of less than one month.

Terminal

The term "Terminal" designates each of the two stations connection on a private line which are the farthest apart via the selected pricing route.

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CLASSIFICATION AND USE OF TELEPHONE SERVICES

A. APPLICATION OF BUSINESS AND RESIDENCE RATES

- 1. The classification of telephone service as Business or Residence is based on the character of the use to be made of the service. Service is classified as business service where the use is primarily, or substantially of a business, professional, institutional, or otherwise occupational nature. Where the business use, if any, is incidental, and where the major use is of a social or domestic nature, service is classified as residence service if installed in a residence.
- 2. Business rates apply at the following locations, among others:
 - a. In offices, stores, factories and in quarters occupied by clubs, lodges, fraternal societies, schools, colleges, libraries, hospitals and other business establishments.
 - b. In residence locations where a place of residence is in the immediate proximity to a place of business, and it is evident that the telephone in the residence is, or will be used for business purposes; and in residence locations where an extension is located at a place where business rates would apply.
 - c. In the residence of a practicing physician, dentist, veterinarian, surgeon, or other medical practitioner who has no service at business rates at another location.
 - d. In any residence location where there is a substantial business use of the service and the customer has no service elsewhere at business rates.

CLASSIFICATION AND USE OF TELEPHONE SERVICES

- A. APPLICATION OF BUSINESS AND RESIDENCE RATES (Cont'd)
 - 3. Residence rates apply at the following locations among others:
 - a. In private residence; in the residential portion of hotels, apartment houses, boarding houses, churches, or institutions when the use of the service is confined to the domestic use of the customer and the listings of a business character are not furnished.
 - b. In the residence of a practicing physician, dentist, veterinarian, surgeon, nurse or other medical practitioner provided that such residence is not a part of an office building and provided the customer has service charged for at business rates at another location.
- B. LOCATION AND USE OF TELEPHONE SERVICES
 - 1. The service and facilities furnished are intended only for communications in which the customer or user authorized by the Telephone Company has a direct interest and shall not be used for any purpose for which a payment or other compensation shall be received by them, or either of them, from any other person, firm or corporation for such use, or in the collection, transmission or delivery of any communication for others except that these provisions do not apply to the handling of messages accepted for transmission by customers who are engaged in a public telegraph business, nor to such other cases as are specifically referred to in the Telephone Company's Tariffs, nor where such use is casual.

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CLASSIFICATION AND USE OF TELEPHONE SERVICES

- B. LOCATION AND USE OF TELEPHONE SERVICES (Continued)
 - 2. Use of Business and Residence Telephone Services:
 - a. Business subscriber telephone service as distinguished from Public Telephone Service and excluding Semi-Public Telephone Service and service in hotels is furnished only for use by the customer, his employees and representatives -except as otherwise provided in the Telephone Company's Tariffs.
 - b. Residence telephone service is furnished only for use by the customer and members of the customer's domestic establishment - except as use by others is permitted in certain cases as provided for elsewhere in these regulations or the Telephone Company's Tariffs.
 - 3. Residence Service in Locations Adjoining Business Locations:

Residence service is not permitted in locations where the service is used as an adjunct to business service.

4. Service on Public and Semi-public Premises:

Subscriber telephone service - as distinguished from Public Telephone Service and excluding Semi-public Telephone Service and service furnished at hotels - is not installed nor allowed to remain on premises of a public or semi-public character unless so located that it is not available to the public or to patrons of the customer. Semi-public Telephone Service or Public Telephone Service are services available for public use.

5. Telephone Numbers:

The customer has no property right in telephone numbers and the telephone numbers may be changed by the Telephone Company whenever the exigencies of the business so require.

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CLASSIFICATION AND USE OF TELEPHONE SERVICES

- B. LOCATION AND USE OF TELEPHONE SERVICES (Continued)
 - 6. Adequacy of Facilities:

The furnishing of certain services and facilities Foreign Exchange Service, may involve impairment of transmission and in the interest of providing a service satisfactory to all users that might be connected on a call, the customer is required to contract for such equipment in place or in addition to that regularly provided as may be necessary.

LIABILITY OF TELEPHONE COMPANY

A. LIABILITY FOR DAMAGES

The liability of the Telephone Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or other facilities and not caused by the negligence of the customer, shall in no event exceed an amount equivalent to the proportionate charge to the customer for the period of service during which such mistake, omission, interruption, delay or error or defect in transmission occurs.

B. USE OF LINES OF OTHER COMPANIES

When the lines of other telephone companies are used in establishing connections to points not reached by the Telephone Company's lines, the Telephone Company is not liable for any act or omission of the other company or companies.

C. DIRECTORY ERRORS AND OMISSIONS

As a part of the service, a directory for each exchange is published from time to time, but as experience demonstrates that errors and omissions will occur with more or less frequency, the Telephone Company is not liable for errors in or omissions from Directories except in cases where a specific charge has been made for a listing; in no event shall the Telephone Company be liable for any such error or omission beyond the amount of such charge.

D. DEFACEMENT OF PREMISES

The Telephone Company is not liable for any unavoidable defacement of or damage to the premises of a customer (or authorized user) resulting from the attachment of the Telephone Company's instruments, apparatus and associated wiring on such premises or from the installation or removal thereof.

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PROVISION, OWNERSHIP AND MAINTENANCE OF FACILITIES

A. PROVISION OF EQUIPMENT

1. Where service is to be established at a location that would involve undue hazards to employees of the Telephone Company, the customer may be required to install and maintain equipment and facilities in a manner satisfactory to the Telephone Company, the re-muneration to be based on the conditions involved.

B. AVAILABILITY OF FACILITIES

1. The Telephone Company's obligation to furnish service is dependent upon its ability to secure and retain, without unreasonable expense, suitable facilities and rights for the construction and maintenance of the necessary circuits and equipment.

C. PRIORITY OF SERVICE

1. In case a shortage of facilities exists at any time either for temporary or protracted periods, the establishment of telephone service takes precedence in the furnishing of any service or facility

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PROVISION, OWNERSHIP AND MAINTENANCE OF FACILITIES

D. PROVISION OF DIRECTORIES

- 1. The Telephone Company distributes to its customers without charge such directory information as is generally necessary for the efficient use of the service. Any reasonable additional directories or information requested by the customer will be furnished without additional charge. Beyond these requirements, additional directories or information will be furnished as available at a reasonable charge.
- 2. Directories regularly furnished to customers are the property of the Telephone Company and are loaned to customers; they are to be returned to the Telephone Company upon request. No binder, holder, or auxiliary cover of an advertising nature, except such as may be provided by or with consent of the Telephone Company, shall be used in connection with any directory furnished by the Telephone Company.

E. OWNERSHIP OF COMPANY-PROVIDED LINES AND EQUIPMENT

- 1. Equipment and lines furnished by the Telephone Company on the premises of a customer, authorized user, or agent of the Telephone Company are the property of the Telephone Company and are provided upon the condition such equipment and lines must be installed, relocated and maintained by the Telephone Company. The Telephone Company's agents and employees may enter the premises at any reasonable hour for the purpose of installing, inspecting or repairing the facilities or for the purpose of making collections from coin boxes or upon termination or cancellation of the service for the purpose of removing the equipment, instruments and lines.
- 2. In case of damage, loss or destruction of any of the Telephone Company's equipment while in the possession of the customer or authorized user and not due either to ordinary wear and tear or to fire, storm or other like casualty, the customer shall be responsible for the value of the equipment lost or destroyed, or for the cost of restoring the equipment to its original condition, as the case may be.

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PROVISION, OWNERSHIP AND MAINTENANCE OF FACILITIES

F. MAINTENANCE AND REPAIRS

1. All expense of maintenance and repair, in connection the facilities and services furnished by the Telephone Company, unless otherwise specified herein or elsewhere in the Telephone Company's tariffs, is borne by the Telephone Company.

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ESTABLISHMENT AND FURNISHING OF SERVICE AND FACILITIES

A. APPLICATION

- 1. Applications for service and facilities made orally or in writing become contracts upon the establishment of the service or facility.
- 2. Any change in rates or regulations prescribed by public authority having jurisdiction modifies all terms and regulations of contracts to the extent of such change.
- 3. The contract, or any rights acquired thereunder by the customer may not be assigned or in any manner transferred except with the consent of the Telephone Company.

B. INITIAL PERIOD OF SERVICE

- 1. Unless otherwise specified herein or elsewhere in the Telephone Company's tariffs, the minimum contract period is one month from the date service is established and the minimum charge is the established rate for one month.
- In lieu of contracts for the required initial period, the Telephone Company may permit the payment of special installation charges or termination charges, the regular Service Connection Charges and installation charges to apply in addition.

ESTABLISHMENT AND FURNISHING OF SERVICE AND FACILITIES

C. TERMINATION OF SERVICE

1. Customers for other than regular service, including but not limited to Foreign Exchange customer, etc., may be required to enter into an agreement to compensate the Telephone Company for its loss in the event service is prematurely discontinued. Such compensation in the form of termination charges shall be the original cost installed plus the cost of removal; less the realized salvage, accrued book depreciation and any contribution in aid of construction.

A special contract may be drawn up for termination of services in lieu of 1. preceding.

- 2. Contracts for service or facilities may not be terminated except upon advance notice to the Telephone Company, at which time there is due and payable all unpaid charges or guarantees for the period the service, equipment or facilities have been furnished, and all applicable minimum and termination charges.
- 3. Where a contract for service with a one-month minimum contract period is cancelled before the establishment of service is completed, a charge equal to the costs incurred by the Telephone Company not to exceed the minimum service charge specified is applied if all or a portion of the equipment or facilities has been installed.
- 4. Where a contract covering equipment and facilities for which the initial contract period is five years in the same building is terminated prior to the expiration of the contract period, a termination charge is made based on the sum of (1) the cost of installing and removing (transportation and labor) the equipment, including power plant if any, but not including trunk lines; (2) the loss on the power plant first cost (without cost of installation) less salvage value on removal; and (3) in the case of special apparatus, 15 percent of the installed cost of such apparatus and associated wiring. Of the amount so determined the termination charge is in such proportion as the initial contract period bears to the full initial contract period.

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ESTABLISHMENT AND FURNISHING OF SERVICE AND FACILITIES

- C. TERMINATION OF SERVICE (Cont'd)
 - With respect to the original contract, minimum and termination charges are waived where a new customer takes over the contract (for the unexpired period thereof) for the service and facilities to be furnished at the same location without lapse of service, and assumes all unpaid charges on the original contract. Minimum and termination charges involved in the original contract are also waived where a new customer takes over the service and facilities covered by the original contract under the conditions stated except as to payment of unpaid charges and executes a new contract for the full required minimum period. In either case, minimum and termination charges apply for any service or facilities furnished under the original contract which are not retained by the new customer.
 - 6. The customer is required to pay only the charges for the period during which service or facilities have been furnished no minimum termination charges being applied when the use of the service or facilities is terminated because of the condemnation, destruction, or damage of property by fire or other cause beyond the control of the customer, which renders the premises unfit for occupancy.

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PAYMENTS AND DEPOSITS

A. PAYMENT PROVISIONS

- The customers shall pay for services and facilities monthly in advance except as otherwise provided elsewhere in the Telephone Company tariffs or as required by lawful regulations or practical limitations, and shall pay all other charges when billed by the Telephone Company.
- 2. The customer assumes responsibility for all charges on messages originating at equipment contracted for by them and for messages received on which the charges have been reversed with the consent of the person answering the telephone, unless another party assumes responsibility for payment of a call under an arrangement mutually agreeable to the Telephone Company and the other party.
- 3. Charges are payable at the Telephone Company's Business Office or at any agencies duly authorized to receive such payment.
- 4. Charges for a fractional part of a month are computed on the basis of a thirty-day month.

B. ADVANCE PAYMENTS

1. Applicants may be required to pay at the time the application is made all service charges and installation charges that may be applicable - as well as such special construction and installation charges as are to be borne by the applicant - except in the case of Federal, State, or Municipal governmental agencies.

PAYMENTS AND DEPOSITS

C. DEPOSITS

- 1. Applicants or customers whose credit rating is, or may become, unsatisfactory will be required to make a suitable deposit, to be applied at any time at the option of the Telephone Company in payment of any unpaid charges for service rendered to the customer or in payment of termination charges that may be applicable. Any balance of the amount deposited, credited to the customer's account, is returned to the customer at the time of termination of the contract or may be returned at any time previous thereto at the option of the Telephone Company when a satisfactory credit rating has been established.
- 2. Applicants or customers who request service in a location where the equipment may be subject to loss or damage through theft, vandalism or other reasons involving a responsibility on the part of the customer may be required to make suitable deposit to cover that responsibility, such deposit not to exceed the value of the equipment furnished.
- 3. Simple interest at the rate of 4 per cent per annum will be paid on all sums retained on deposit by the Telephone Company for thirty days or longer. No interest credit will be made on deposit or any portion of a deposit after the date on which a notice of refund is deposited in the U.S. Mail addressed to the last known address of the customer.
- 4. The fact that a deposit has been made neither relieves the applicant nor the customer from complying with the Telephone Company's regulations as to advance payments and the prompt payment of bills on presentation nor constitutes a waiver or modification of the regulations of the Telephone Company providing for the discontinuance of service for nonpayment of any sums due the Telephone Company for service rendered.

D. ADJUSTMENT OF CHARGES

In the adjustment of charges for overbilling by the Telephone Company, a refund will be made of the full amount of excess charges when such amount can be determined; when the period during which overbilling has been effective cannot be fixed or the exact amount of overbilling determined from available records, the maximum refund will not exceed an estimated amount equal to such overbilling for a three-year period.

E. TEMPORARY DISCONTINUANCE FOR NONPAYMENT

1. Where service has been temporarily denied in accordance with the provisions of this Tariff and the service is re-established, or where on account of nonpayment of charges an agent of the Telephone Company visits the premises of the customer to remove the equipment, and because of payment, does not discontinue the service, a subsequent order charge, line charge and premise visit charge applies. This charge covers the customer's entire service and facilities, being independent of the number of units involved, and is in addition to all other charges due.

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PAYMENTS AND DEPOSITS

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E. TEMPORARY DISCONTINUANCE FOR NONPAYMENT

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- 2. The Restoral of Service Charge does not apply where service has been actually discontinued; in that event, upon payment of all charges due, the service will be re-established on the basis of a new application for service and the payment of the charges associated with such application.

CANCELLATION FOR CAUSE

A. GENERAL

- 1. For cause as provided herein and without incurring any liability, the Telephone Company either temporarily discontinues the furnishing of a service or facility to a customer, or terminates the contract.
- 2. Where service is so terminated on the initiative of the Telephone Company, the regulations covering termination charges apply as in the case of termination of service at the customer's request.

B. CANCELLATION AFTER WRITTEN NOTICE

- 1. Under the following conditions, discontinuance or termination by the Telephone Company may be made five (5) days after furnishing a written notice by depositing in the mails a letter addressed to the customer or his agent at the address to which the bills for telephone service are sent:
 - a. In the event of nonpayment of any sum due the Telephone Company;
 - b. Upon failure to make suitable deposit as required by this Tariff;
 - c. In the event of improper use of party line service by a customer including interference with an equitable proportionate use of the service by other customers on the same line and the customer refuses to contract for a higher grade of service.
 - d. In the event the character of use of a service is not in accordance with the class of service contracted for, and the customer refuses to contract for the proper class of service.

CANCELLATION FOR CAUSE

B. CANCELLATION AFTER WRITTEN NOTICE (Continued)

- f. In the event of abuse or fraudulent use of service. Abuse or fraudulent use of service include the use of service or facilities of the Telephone Company to transmit a message or to locate a person or otherwise to give or obtain information, without payment of the charge applicable for service.
- g. Upon a violation not otherwise provided for of any of the regulations governing the furnishing of a service or facility.

C. CANCELLATION UPON WRITTEN REQUEST BY PUBLIC OFFICIALS

- 1. Under the following conditions, written notice of intention to discontinue or terminate service, to which shall be attached a copy of the written representation referred to below, shall be given by posting a registered letter in the United States mails, addressed to the customer or their agent at the location to which bills for the service are sent, at least seventy-two hours prior to such discontinuance or termination.
 - a. Whenever the judge of any court of record in Michigan, having jurisdiction over criminal offenses, including any such judge acting under Act 196 of the Public Acts of 1917, as amended, the Attorney General of Michigan, the United States Attorney in and for any Federal judicial district in Michigan, or the Prosecuting Attorney of any county, shall represent in writing to the Telephone Company that they have probable cause to believe that the service furnished at a designated location is being used in furtherance of the commission of a specified criminal offense, and in such writing shall request that such service be discontinued or terminated, the Company, if not restrained by order of a court of competent jurisdiction, will so discontinue or terminate such service, with like effect as to both the Company and the customer as though the latter had of their own volition directed that the same be done.

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CANCELLATION FOR CAUSE

- C. CANCELLATION UPON WRITTEN REQUEST BY PUBLIC OFFICIALS (Continued)
 - b. Upon notice in writing by a federal, state or local law enforcement agency, acting under the provisions of Public Law 87-216, that service is being, or will be used for the purpose of transmitting or receiving gambling information in interstate or foreign commerce in violation of federal, state or local law.

D. IMMEDIATE CANCELLATION WITH VERBAL NOTICE

- 1. Under the following conditions, said discontinuance or termination by the Telephone Company will be made immediately, upon verbal notice being given to the customer or their agent in person or by telephone if they can be reached; a confirming written notice will be mailed to the customer or their agent at the address to which bills are sent:
 - a. In the event of the use of profane or indecent language over the facilities.
 - b. In the event of abandonment of the station or facilities.
 - c. If the use of the service or facilities by the customer, or the manner of such use, or their failure to contract for adequate facilities (though these require they defray an unusual expense), tends to affect injuriously the efficiency of the Telephone Company's general plant or service.
 - d. If a service or facility is used in a manner which substantially impairs the service of a particular customer.
 - e. In the event that a customer transmits a previously recorded message over the exchange or toll facilities of the company without properly identifying himself or the sponsor.

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CONSTRUCTION, INSTALLATION AND MAINTENANCE CHARGES

EXTENSION OF LINE FACILITIES

A. GENERAL

- 1. An extension of Telephone Company facilities in locations where Telephone Company facilities currently do not exist will generally be made as follows:
 - a. Cable Line extensions requiring cable will be placed for a distance of 1000 feet per residence or per business customer without charge to the customer requesting service. A facility charge will apply to the customer for a line extension in excess of this standard allowance (1000 feet).
 - b. (1) Private Property Trench, pole(s) or conduit on private property shall be provided at the expense of the property owner or the property owner's representative, i.e., developer, customer, etc. The structure shall meet the company's design standards and shall be owned and maintained by the property owner or property owner's representative(s). Cable placed in or on these structures shall be owned and maintained by the Telephone Company.
 - (2) Platted Subdivisions and Mobile Home Parks Line extensions to platted subdivisions and mobile home parks will be made a part of the Telephone Company's regular construction program.
 - c. Other Trench, pole(s) or conduit placed in situations other than private property, i.e., public or private right of way, easements, etc., will be placed, owned and maintained by the Telephone Company.

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CONSTRUCTION, INSTALLATION AND MAINTENANCE CHARGES

EXTENSION OF LINE FACILITIES (Continued)

A. GENERAL (Continued)

2. Provision of Private Right-of-Way

Where required by the conditions, applicants shall provide without expense to the Telephone Company, private right-of-way parallel to the public highway; such right-of-way shall be free from tree interference and otherwise suitable.

3. Distributing Plant on Private Property, Other Than Service Drops

When the customer desires that distributing plant on the customer's private property be placed underground - the Telephone Company having determined from the conditions that aerial facilities should be provided or having provided such facilities - the customer pays the excess of the installed cost to the Telephone Company of the underground (buried) wire or cable over the cost of the aerial facilities and pays the cost of dismantling and removing any aerial facilities being changed.

B. EXTENSION LINE FACILITY CHARGES

1. GENERAL

a. Refundable

- (1) The facility charge applies to anyone who requests an extension of line facilities that requires cabling beyond the standard allowance (1000 feet) (Ala.). Based on cost, charges will apply for cable in excess of the standard allowance.
- (2) The facility charges may be waived if the construction of the line extension is being financed by borrowing funds through the Rural Electrification Administration.

CONSTRUCTION, INSTALLATION AND MAINTENANCE CHARGES

EXTENSION OF LINE FACILITIES (Continued)

B. EXTENSION LINE FACILITY CHARGES

2. FACILITIES AGREEMENT

- a. The Telephone Company and the developer, builder, owner or authorized representative will enter into a written agreement for provision of the requested line extension. The Company will not begin construction until an agreement has been executed and payment of the facility charge has been made.
- b. The agreement will include:
 - (1) A legal description of the area for which facilities are requested.
 - (2) The total cable footage excluding the standard allowance.
 - (3) The amount of the refundable charge.
 - (4) Provision for an annual refund on the anniversary date of the agreement.
 - (5) The construction of distribution facilities will comply with Company standards and practices for providing such facilities.
 - (6) A term of no longer than five years.

2. FACILITIES CHARGE

The facility charge will be based on cost for cable and based on cost for Service Wire for extensions in excess of the standard allowances. All distribution facilities so constructed shall be the property of the Company.

CONSTRUCTION, INSTALLATION AND MAINTENANCE CHARGES

EXTENSION OF LINE FACILITIES (Continued)

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The facility charge will be based on cost for cable and based on cost for Service Wire for extensions in excess of the standard allowances. All distribution facilities so constructed shall be the property of the Company.

CONSTRUCTION, INSTALLATION AND MAINTENANCE CHARGES

EXTENSION OF LINE FACILITIES

C. REFUNDS OF EXTENSION LINE FACILITY CHARGE

- 1. An annual refund, initially payable on the first anniversary date of the agreement and annually thereafter until the agreement expires, will be as follows:
 - a. The amount of refund will equal three times the annual rural residential basic local exchange service rate per residence where telephone service is established in residential areas and an amount equal to three times the annual business basic local exchange rate for each exchange or trunking service added in that year.
 - b. The total refund shall not exceed the facility charge. The term of the agreement will not exceed five years.
- On each anniversary date of the agreement, the Telephone Company will determine if additional customers have been added to the facilities for which a charge was made.
- Upon expiration of the agreement, the Telephone Company will have no obligation to refund any portion of the facility charge not previously refunded.

D. CONSTRUCTION CHARGES, SPECIAL

1. Special, based on cost in the form of installation charges, monthly charges, or both, are applied in addition to the usual service connection charges and monthly rates when, because of unusual investment or expense, the revenue does not reasonably compensate the Company - when facilities are provided beyond the standard allowance, when conditions require the provision of special equipment or unusual plant construction, installation or maintenance, or when the customer's location requires annual payment for licenses or agreement for the use of Public or Private land.

Issued: January 1, 2008 Effective: January 1, 2008

By: Ronald Farrel, President Blanchard, Michigan

CONSTRUCTION, INSTALLATION AND MAINTENANCE CHARGES

EXTENSION OF LINE FACILITIES (Continued)

D. CONSTRUCTION CHARGES, SPECIAL (Continued)

- 2. Except as specified, title to all construction provided wholly or partly at a customer's expense is vested in the Company.
- 3. The cost to the Company for attachments to structures of other companies, made in lieu of providing construction for which the customer would be charged under the provision hereof, is borne by the customer. The customer is required to pay construction charges made by another company providing facilities connecting with the facilities of the Company.

E. SERVICE DROPS

1. Facilities Provided of Type Determined by Telephone Company

Service Drops are provided either by aerial facilities - on poles of the Telephone Company or of other companies - or by underground facilities (buried), and, except as covered in 2 below, the type of facilities used is determined by the Telephone Company from the conditions involved. For facilities of the type so determined, the following treatment applies:

- a. A Service Drop measuring not more than 250 feet is provided without construction charge. For the measured distance in excess of the 250 foot allowance, a facility charge applies as described elsewhere in the Company's tariffs.
- b. The measurement is the airline distance from the center of the highway paralleling the general distribution plant (located on or off the highway) to the terminal or Drop at the customer's building, or the airline distance from the distribution plant to that terminal, whichever is shorter.

CONSTRUCTION, INSTALLATION AND MAINTENANCE CHARGES

EXTENSION OF LINE FACILITIES (Continued)

E. SERVICE DROPS (Continued)

2. Facilities Provided of Different Type than 1 above.

When from the conditions involved the Telephone Company determines that an aerial Service Drop should be provided, and in lieu thereof, the applicant desires underground or buried facilities, or when aerial facilities are used to provide service or channels to a customer and subsequently the customer requests that such facilities be placed underground, the following applies:

a. Where cable is laid in conduit, the underground conduit shall be constructed and maintained by or at the expense of the customer and in addition the customer shall pay the cost of the underground cable - including the cost of installing it - less the estimated cost to the Telephone Company of installing aerial facilities (not in excess of the 250 foot allowance specified in C.1.a.) as would be (or is) required to furnish the same service. The underground conduit shall be constructed in accordance with plans and specifications furnished by the Telephone Company; ownership is retained by the customer.

The duct or ducts required in the underground conduit by the Telephone Company to furnish service shall be reserved for its exclusive use.

b. Cable installed in conduit will be maintained and replaced at the expense of the Telephone Company where the conduit has been inspected in place by the Telephone Company and approved, but repairs or replacements of cable in conduit or trench made necessary by damages caused by the customer or the customer's representatives will be made only at the customer's expense.

CONSTRUCTION, INSTALLATION AND MAINTENANCE CHARGES

EXTENSION OF LINE FACILITIES (Continued)

E. SERVICE DROPS (Continued)

c. Where facilities are changed from aerial to underground or buried, in addition to the above, the customer is charged the cost of dismantling and removing the aerial facilities in addition to 2.a. preceding.

3. Computation of Facility Charge

- a. The facility charge will be based on cost for Service Wire for extensions in excess of the standard allowances.
- b. All service drop facilities so constructed shall be the property of the Telephone Company.

MILEAGE MEASUREMENTS

- A. AIRLINE MILEAGE (Except for Message Toll Service)
 - 1. Inter-exchange airline distances are measured between the points involved.
 - 2. For the purpose of determining airline mileage, vertical and horizontal grid lines have been established across Michigan. The spacing between adjacent vertical grid lines and between horizontal grid lines represents a distance of one coordinate unit. This unit is the square root of 0.1, expressed in airline miles. A four-digit vertical (V) and a four-digit horizontal (H) coordinate is computed for each rate center from its latitude and longitude location by use of appropriate map projection equations. A pair of V-H coordinates locates a rate center, for determining airline mileages, at a particular intersection of an established vertical grid line with an established horizontal grid line. The distance between any two rate centers is the airline mileage computed between their respective coordinate intersections, as explained in 3. following.
 - 3. To determine the rate distance between any two rate centers proceed as follows:
 - a. Obtain the "V" and "H" coordinates for each rate center.
 - b. Obtain the difference between the "V" coordinates of the two rate centers. Obtain the difference between the "H" coordinates.
 - c. Square each difference obtained in b. above.
 - d. Add the square of the "V" difference and the "H" difference obtained in c. above.
 - e. Divide the sum of the squares obtained in d. above by 10.
 - f. Obtain the square root of the result obtained in e. above. This is the rate distance in miles. (Fractional miles being considered as full miles.)

MILEAGE MEASUREMENTS

- A. AIRLINE MILEAGE (Except for Message Toll Service Continued)
 - 4. Example:

The rate distance is required between Detroit and Flint.

Detroit 5536 2828

Flint 5461 2993

Difference 75 165 (See Note)

Squared 5625 + 27225 = 32850

$$\frac{32850}{10} = 57.3 = 58 \text{ airline miles}$$

5. The Vertical and Horizontal coordinates for each Michigan rate center are listed in the List of Rate Centers and Central Offices for the United States, issued by the National Exchange Carriers Association in Tariff F.C.C. No. 4.