

LOCAL EXCHANGE SERVICES

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2. GENERAL REGULATIONS

2.4 Payments and Charges (continued)

2.4.6 Reserved For Future Use

2.4.7 Late Payment Charge

The Company may apply a Late Payment Charge if any portion of the Customer's payment is received by the Company after the payment due date or if any portion of the payment is received by the Company in funds which are not immediately available, providing billing capability exists.

The Late Payment interest rate (late factor) shall be 1.5% per month unless an applicable law or regulation specifies a lower rate to be charged, which the lower rate shall then apply. The late factor shall be applied from the 31st calendar day after payment date to and including the date that the Company actually receives the payment. The Late Payment Charge shall be assessed monthly, based on the delinquent balance maintained on the account at the time.

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2.4.8 Charge Increases

The Company reserves the right to increase charges for Services provided to the Customer, regardless of any term commitment, as a result of (a) expenses incurred by the Company reasonably relating to regulatory assessments stemming from an order, rule or regulation of any regulatory authority or court having competent jurisdiction; (b) other governmental charges or fees; c) charges or payment obligations imposed on the Company related to termination of domestic or international calls to mobile numbers; or (d) reductions in amounts other carriers are required to pay to the Company or increases in the amount the Company is required to pay to other carriers. Customers with Price List-based contracts will be held to the terms and conditions of their contract until such contract is expired.

2.4.9 Reserved For Future Use