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Lance J.M. Steinhart
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NOTICE CONCERNING ALL TERMS AND CONDITIONS and RATES

The State of Maine Public Utilities Commission (MPUC) requires that each telephone utility's Terms and Conditions comply with and not conflict with requirements of Maine Statutes (primarily in Title 35-A) and MPUC rules. Any provision in these Terms and Conditions or rate schedules that conflicts with a Maine statute or MPUC rule is inapplicable and will not be enforceable. The following rules apply to telephone utilities and contain provisions that affect matters that commonly appear in telephone utility Terms and Conditions:

Chapter 204 - Basic-Service Calling Areas

Chapter 230 - Installation, Maintenance and Ownership of Customer Premises Wire

Chapter 250 - Coin-operated Telephone Service

Chapter 280 - Provision of Competitive Telecommunications Services

Chapter 291 - Standards for Billing, Credit and Collection, and Customer Information for Non-Eligible Telecommunications Carriers

Chapter 292 - Chapter 292, Standards for Billing, Credit and Collection, and Customer Information For Interexchange Carriers

Chapter 294 - Lifeline and Link Up Service Programs

Chapter 296 - Selection of Primary Interexchange and Local Exchange Carriers

Chapter 870 - Late Payment Charges, Interest Rates to Be Paid on Customer Deposits, and Charges for Returned Check Fees

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In addition, the following provisions (the first two of which are required by statute) are part of this utility's Terms and Conditions:

1. FOR INTEREXCHANGE SERVICE:

Discount for Hearing-Impaired Customers. Upon customer request, the Company will automatically apply a 70% reduction for intrastate toll calls made from line used by certified deaf, hard-of-hearing or speech-impaired persons who must rely on teletypewriters for residential telephone communications, and others as provided in 35-A M.R.S.A. §7302. To qualify for an automatic reduction, the customer must submit an affidavit to the Company on a form approved by the Maine Department of Human Services, stating that due to one of the aforementioned conditions, the customer or a member of the household must rely on a teletypewriter for telephone communications, and that the equipment is connected or acoustically coupled to his telephone. Upon request, customers making calls to certified persons are eligible for a 70% rate reduction for relevant billed calls made during each billing period.

2. FOR LOCAL EXCHANGE SERVICE:

Enhanced Universal Emergency Number Service - E911 - Surcharge. An Enhanced Universal Emergency Number Service (E911) surcharge, as provided in 25 M.R.S.A. § 2927(1-A), applies per month to each residence and business access line, including PBX trunks, Centrex access lines, semipublic coin lines, and public access lines, in addition to the monthly rates for these lines specified elsewhere in these schedules. The surcharge shall not be imposed upon more than 25 lines per customer billing account.

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3. FOR BOTH LOCAL AND INTEREXCHANGE SERVICES:

A surcharge for the Maine Universal Service Fund (MUSF) applies to all intrastate services billed to a retail customer. The surcharge shall not apply to surcharges such as those for Enhanced 911, the Maine Telecommunications Education Access Fund, or similar funds. The surcharge shall be equal to the Revenue Percentage established quarterly by the Administrator of the MUSF.

A surcharge for the Maine Telecommunications Education Access Fund (MTEAF) applies to all intrastate services billed to a retail customer. The surcharge shall not apply to surcharges such as those for Enhanced 911, the Maine Universal Service Fund, or similar funds. The surcharge shall be equal to the percentage of revenues established by the Maine Public Utilities Commission pursuant to Chapter 285, § 2(B) of the Commission's Rules.

Any provisions in these Terms and Conditions that limit liability or damages do not apply to the extent they conflict with 11 M.R.S.A. §2-316(5) of the Maine Revised Statutes, Exclusion or Modification of Warranties.

This utility agrees that it is responsible for complying with all applicable rules of the Maine Public Utilities Commission and with the Maine Revised Statutes. It understands that if it applies or enforces any provision of these Terms and Conditions that is in conflict with a rule of the Maine Public Utilities Commission, or the Maine Revised Statutes, the rule or statute will govern; and the utility may be subject to action by the Consumer Assistance Division of the Maine Public Utilities Commission or an investigation by the Commission pursuant to 35-A M.R.S.A. §1303.

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Terms and Conditions

Definitions

1. "Carrier, "Company" or "Utility" refers to New Horizons Communications Corp..
2. "Completed" call is a call which the Company's network has determined has been answered by a person, answering machine, fax machine, computer modem device, or other mechanical answering device.
3. "Customer" means any person who has applied for, been accepted, and is either receiving utility service or has agreed to be billed for utility service. This term also includes a person who was a customer of the same utility within the past 30 days and who requests service at the same or a different location.
4. "Residential" customer is a customer who has telephone service at a dwelling and the service is used primarily for domestic or social purposes. All other customers are nonresidential customers.
5. "Service" means any telecommunications service(s) provided by the carrier under these schedules.
6. "Station" is a telephone instrument consisting of a connected transmitter, receiver, and associated apparatus to permit sending or receiving telephone messages.
7. "Time period" means the interval of hours that distinguish day, evening, night, and weekend rate periods. Day is from 8:00 a.m. up to but not including 5:00 p.m. local time Monday through Friday. Evening is from 5:00 p.m. up to but not including 11:00 p.m. local time Monday through Friday. Night is from 11:00 p.m. up to but not including 8:00 a.m. local time Monday through Friday. Weekend is from 11:00 p.m. Friday through the weekend hours up to 8:00 a.m. on Monday. The company charges weekend rates on the following federal holidays: New Year's Day, Martin Luther King Jr.'s Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

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Terms and Conditions

General Description of Services Offered

1. These Terms and Conditions and Rate Schedules govern Company services originating and terminating at points within Maine. Specific services and rates are described in the Rate Schedules.
2. The Company's intrastate service territory is the State of Maine. Company services are available 24 hours per day, 7 days a week.
3. Company services are available for non-residential and residential customers.

Calculation of Rates

1. Rates for service are based on airline mileage between rate centers of the calling and called stations. The location of Rate Centers is based on information provided by Bell Operating Companies. Mileage is calculated using the Vertical and Horizontal (V&H) coordinate system from the National Exchange Carriers Association Tariff F.C.C. No. 4.
2. The chargeable time of a call is timed and measured by the underlying carrier. Timing of calls begins when the call is answered at the called station. Different rates may apply depending on the time of day or day of week the call is made. Calls originating in one time period and terminating in another time period will be billed according to the rates in effect during each portion of the call.

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Terms and Conditions

Credit, Collection, and Dispute Resolution Procedures

1. Residential Customers: Application for service, billing, payment, deposit, disconnection, dispute resolution and other credit and collection procedures for residential customers are governed by Chapters 291 and 292 of the Maine Public Utilities Commission's Rules.
2. Nonresidential Customers: Application for service, billing, payment, deposit, disconnection, dispute resolution and other credit and collection procedures for nonresidential customers are governed by Chapters 291 and 292 of the Maine Public Utilities Commission's Rules.
3. The Company does not charge a fee to establish service.
4. For billing purposes, service is established on the date the customer's local exchange carrier switches the customer's service to the reselling Company's network.
5. The Company bills charges monthly in arrears. For billing purposes, a month consists of thirty (30) days.
6. The Company may charge \$25.00 to restore service that was disconnected for nonpayment of bills, violation of the Terms and Conditions, or fraudulent use of the Company's services.
7. All state and local taxes (i.e., sales tax) are listed as separate line items and are not included in the rates quoted in the Rate Schedules.
8. As provided in Chapter 870 of the Maine Public Utilities Commission's Rules, the Company charges \$5.00 per account to which the check is applied or the amount of the bank charges the company, not to exceed \$15.00 for each check returned for nonpayment by a bank. If the company charges more than \$5.00, the company shall furnish the customer with proof of the bank charge.

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Terms and Conditions

Credit, Collection, and Dispute Resolution Procedures (Continued)

9. All customer bills are due and payable when presented. The bill becomes past due no less than 30 days after postmarked. Once a bill is past due, the carrier may proceed with collection activities per Chapter 291 or 292, and a late payment shall be charged on the undisputed past due amount, calculated at the maximum monthly rate specified in Chapter 870 as updated in November of each year by the Commission's Director of Finance.

10. Customer complaints are handled by a full service customer service department. Customers may call (800) 520-5812, 24 hours per day, 7 days per week or submit a written complaint to:

New Horizons Communications Corp.
335 Bear Hill Road
Waltham, Massachusetts 02451

If the customer is not satisfied with the Company's response, the customer may contact the Consumer Assistance Division, Maine Public Utilities Commission, 18 State House Station, 242 State Street, Augusta, ME 04333-0018. Telephone: 800-452-4699 or 207-287-3831. Facsimile: 207-287-1039.

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Terms and Conditions

Interruption of Service/Liability

1. The Company will attempt to provide continuous and uninterrupted service. When the Company schedules a service interruption for maintenance or repairs, the Company will notify customers of the cause and expected duration of the interruption at least 24 hours in advance, when possible.
2. The Company's liability for damages arising out of mistakes, interruptions, omission, delays, errors, or defects in the transmission occurring in furnishing service or in Company facilities, and not caused by the negligence of its employees or agents, will not exceed the amount that the Company would have charged the customer for service for the period the aforementioned faults occur.
3. Upon customer request, the Company will credit a customer's account for service interruptions which are not due to the Company's testing or adjusting, negligence of the customer, or to the failure of channels or equipment provided by the customer. Before requesting a credit, the customer will take reasonable steps to verify that the trouble could not have been prevented by the customer and is not in the customer's wiring or equipment. For purposes of computing a credit for leased facilities, a month consists of 720 hours. The Company will credit the customer's account at the rate of 1/720th of the monthly charge for the facilities affected for each full hour of the interruption.
4. The Company is protected against customer claims for libel, slander, or copyright infringement arising from the material, data, information, or other content transmitted using Company services. The Company is protected against all other claims arising from any act or omission of the customer while using Company services.

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RATE SCHEDULES

A. DESCRIPTION OF SERVICE

A. DESCRIPTION OF SERVICE

1+ & 101XXXX Dialing

The Customer dials "1" plus ten digits, or dials "101XXXX" followed by "1 + 10 digits". This service permits Customers to originate calls via switched or dedicated access lines.

Travel Cards.

The Customer utilizes an 11 digit "toll-free" access number established by New Horizons Communications Corp. to access a terminal. Upon receiving a voice prompt, the Customer uses push button dialing to enter an identification code assigned by the Company, followed by the ten digit number of the called party.

Toll Free Service.

This service is inbound calling only where an 800, 888 or other toll-free prefix number rings into a Customer's premise routed to a specific telephone number or terminated over a dedicated facility.

Directory Assistance.

Access to long distance directory assistance is obtained by dialing 1 + 555-1212.

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RATE SCHEDULES

Prepaid Calling Card Service.

This service permits use of Prepaid Calling Cards for placing long distance calls. Customers may purchase New Horizon Prepaid Calling Cards at a variety of retail outlets or through other distribution channels. New Horizon Prepaid Calling Cards are available at a variety of face values. New Horizon Prepaid Calling Card service is accessed using the New Horizon toll-free number printed on the card. The caller is prompted by an automated voice response system to enter his/her Authorization Code, and then to enter the terminating telephone number. New Horizon's processor tracks the call duration on a real time basis to determine the number of Telecom Units consumed. The total consumed Telecom Units for each call and applicable taxes are deducted from the remaining Telecom Unit balance on the Customer's New Horizon Prepaid Calling Card.

All calls must be charged against Prepaid Calling Card that has a sufficient Telecom Unit balance. A Customer's call will be interrupted with an announcement when the balance is about to be depleted.

When a card is depleted, the Customer can either call the toll-free number on the back of the New Horizon Prepaid Calling Card and "recharge" the balance on the card using a nationally recognized credit card, or the Customer can throw the card away and purchase a new one. Calls in progress will be terminated by the Company if the balance on the New Horizon Prepaid Calling Card is insufficient to continue the call.

Local Service

The company will provide all local services available for resale, or through UNE-P, including local dial tone, custom calling features such as Caller ID and Call waiting, and directory assistance.

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Residential Local Exchange Rates

Individual Line

| | |
|--------------|---------|
| Rate Class A | \$14.01 |
| Rate Class B | \$14.85 |
| Rate Class C | \$15.22 |
| Rate Class D | \$15.63 |
| Rate Class E | \$16.06 |
| Rate Class F | \$16.91 |

End User Common Line Charge

| | |
|-----------------|--------|
| Primary Line | \$3.50 |
| Additional Line | \$6.07 |

Directory Service

| | |
|---------------------------------------|--------|
| After 3 rd Call (per call) | \$0.40 |
|---------------------------------------|--------|

Order Charges

| | |
|-------------------|---------|
| Change of Service | \$35.00 |
| Record Order | \$5.70 |

Premises Visit Charge

| | |
|----------------------------|---------|
| From exterior to interface | |
| First 15 minutes | \$26.00 |
| Additional 15 minutes | \$10.00 |
| From interface to interior | |
| Trip Charge | \$39.95 |
| Each 15-minute increment | \$13.75 |

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RATE SCHEDULES

Business Local Exchange Rates

Individual Line

| | |
|--------------|---------|
| Rate Class A | \$33.70 |
| Rate Class B | \$34.47 |
| Rate Class C | \$34.79 |
| Rate Class D | \$35.13 |
| Rate Class E | \$35.47 |
| Rate Class F | \$35.81 |

PBX Trunk

| | |
|--------------|---------|
| Rate Class A | \$50.55 |
| Rate Class B | \$51.71 |
| Rate Class C | \$52.19 |
| Rate Class D | \$52.70 |
| Rate Class E | \$53.21 |
| Rate Class F | \$53.72 |

Direct Inward Dialing (DID)

| | |
|-------------------------|---------|
| 100 DID Station Numbers | \$34.50 |
| DID Trunk Termination | |
| First 10 trunks, each | \$84.00 |
| Additional trunks, each | \$42.00 |

End User Common Line Charge

| | |
|-----------------|--------|
| Primary Line | \$3.50 |
| Additional Line | \$8.14 |

End User Port Charges

| | |
|---------------|--------|
| Per DID Trunk | \$1.21 |
|---------------|--------|

Directory Service

| | |
|----------|--------|
| Per Call | \$0.40 |
|----------|--------|

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RATE SCHEDULES

Business Local Exchange Rates (continued)

Order Charges

| | |
|----------------------------|---------|
| Each Additional Line/Trunk | \$56.00 |
| Change of Service | \$35.00 |
| Record Order | \$21.00 |

Premises Visit Charge

From exterior to interface

| | |
|----------------------------|---------|
| First 15 minutes | \$35.00 |
| Additional 15 minutes | \$11.00 |
| From interface to interior | |
| Trip Charge | \$49.95 |
| Each 15-minute increment | \$13.75 |

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**RATE SCHEDULES
OPTIONAL CALLING FEATURES**

| Calling Features | Residential | Business |
|---|-------------|----------|
| Call Waiting | \$4.75 | \$6.30 |
| Call Forwarding - Variable | \$2.90 | \$6.00 |
| Call Forwarding – Busy Line | \$1.35 | \$2.75 |
| Call Forwarding – Don't Answer | \$1.35 | \$2.75 |
| Call Forwarding – Busy Line / Don't Answer | \$2.00 | \$4.00 |
| Three Way Calling | \$3.40 | \$6.00 |
| Speed Calling – 8 numbers | \$2.30 | \$5.00 |
| Speed Calling – 30 numbers | \$4.70 | \$7.50 |
| Distinctive Ringing – One Dependent Number | \$4.00 | \$7.20 |
| Distinctive Ringing – Two Dependent Numbers | \$6.00 | \$12.00 |
| *69 | \$3.00 | \$3.00 |
| Anonymous Call Rejection | \$3.00 | \$3.00 |
| Call Trace | \$3.50 | \$3.50 |
| Caller ID | \$5.95 | \$5.95 |
| Caller ID with Name | \$6.75 | \$6.75 |
| Call Manager | \$6.75 | \$6.75 |
| Call Manager with Name | \$6.75 | \$6.75 |
| Call Waiting ID | \$6.75 | \$6.75 |
| Call Waiting ID with Name | \$6.75 | \$6.75 |
| Repeat Dialing | \$3.00 | \$3.00 |
| Repeat Dialing with *69 | \$4.25 | \$4.25 |

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EXCHANGE AREAS & RATE CLASS (RC)

| EXCHANGE | EXCHANGE | EXCHANGE |
|-----------------|-----------------|----------------|
| Ashland | Augusta | Bangor |
| Bar Harbor | Bath | Belfast |
| Belgrade | Biddeford | Bingham |
| Blue Hill | Boothbay Harbor | Bowdoinham |
| Bradford | Bridgton | Brownville |
| Brunswick | Bucksport | Calais |
| Camden | Caribou | Castine |
| Clinton | Columbia | Corinth |
| Cornish | Cumberland | Danforth |
| Dark Harbor | Deer Isle | Dexter |
| Dixfield | Dover - Fxcrft. | E. Millinocket |
| Easton | Eastport | Eddington |
| Ellsworth | Fairfield | Farmington |
| Fort Fairfield | Franklin | Freeport |
| Frenchville | Gardiner | Goodwins Mills |
| Gorham | Grand Isle | Greenville |
| Guilford | Harpwell | Harrison |
| Hermon | Houlton | Jackman |
| Jonesport | Kennebunk | Kennebunkport |
| Lebanon | Lewiston | Limerick |
| Limestone | Lincoln | Lisbon Falls |
| Livermore Falls | Lubec | Machias |
| Madawaska | Madison | Mars Hill |
| Mechanic Falls | Milbridge | Millinocket |
| Milo | Monroe | Monson |
| Newport | New Sweden | North Berwick |
| Northeast Hbr. | North Whitefld. | Norway |
| Oakland | Old Orchard | Old Town |
| Orono | Orrington | Oxford |
| Pembroke | Pittsfield | Portland |
| Pownal | Presque Isle | Princeton |
| Rangeley | Readfield | Richmond |
| Rockland | Rockwood | Rumford |
| Sabattus | Sanford | Scarborough |
| Searsport | Sedgwick | Skowhegan |
| South Berwick | Southwest Hbr. | Sullivan |
| Tenants Harbor | The Forks | Thomaston |
| Van Buren | Vinal Haven | Waldoboro |
| Walton | Washburn | Waterville |
| Wells | Westbrook | Windham |
| Winter Harbor | Winterport | Wiscasset |
| Woodland | Wytopotlock | Yarmouth |
| York | | |

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RATE SCHEDULES

Interexchange Rates

1+ & 101XXXX Dialing

\$0.40 per minute

A \$4.95 per month per number service charge applies.
Billed in one minute increments

Travel Cards

\$.199 per minute

A \$.25 per call service charge applies.
Billed in one minute increments

Toll Free Service

\$0.40 per minute

A \$10 per month per number service charge applies.
Billed in one minute increments

Directory Assistance Charges

A charge per number requested will be \$.95

Payphone Dial Around Surcharge

A dial around surcharge of \$.35 per call will be added to any completed INTRAsate toll access code and subscriber Toll-Free 800/888 type calls placed from a public or semi-public payphone.

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Prepaid Calling Cards

Program

| | |
|----|-------------------------|
| A | \$.015 Per Telecom Unit |
| B | \$.019 Per Telecom Unit |
| C | \$.025 Per Telecom Unit |
| D | \$.029 Per Telecom Unit |
| E | \$.032 Per Telecom Unit |
| F | \$.035 Per Telecom Unit |
| G | \$.039 Per Telecom Unit |
| H | \$.045 Per Telecom Unit |
| I | \$.05 Per Telecom Unit |
| J | \$.06 Per Telecom Unit |
| K | \$.07 Per Telecom Unit |
| L | \$.08 Per Telecom Unit |
| M | \$.09 Per Telecom Unit |
| N | \$.10 Per Telecom Unit |
| O | \$.11 Per Telecom Unit |
| P | \$.12 Per Telecom Unit |
| Q | \$.13 Per Telecom Unit |
| R | \$.14 Per Telecom Unit |
| S | \$.15 Per Telecom Unit |
| T | \$.19 Per Telecom Unit |
| U | \$.20 Per Telecom Unit |
| V | \$.25 Per Telecom Unit |
| W | \$.29 Per Telecom Unit |
| X | \$.30 Per Telecom Unit |
| Y | \$.33 Per Telecom Unit |
| Z | \$.35 Per Telecom Unit |
| AA | \$.39 Per Telecom Unit |
| BB | \$.40 Per Telecom Unit |
| CC | \$.50 Per Telecom Unit |

A \$.59 per call service charge applies.

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