

**TERMS AND CONDITIONS FOR
INTERSTATE AND INTERNATIONAL LONG DISTANCE SERVICES
Offered By
TRACEROAD COMMUNICATIONS, INC.
(Doing Business as Traceroad Long Distance)**

Traceroad Communications, Inc., doing business as Traceroad Long Distance, (the "Company") will provide interstate long distance services ("Service") between points within the United States and between the United States and international locations at the rates, and under the terms and conditions stated herein, as the rates, terms and conditions may be modified from time to time. As used herein, "you" or "your" refers to the individual or entity using or paying for the Service.

SUBSCRIBING TO, PAYING FOR, OR USE OF THE COMPANY'S SERVICE CONSTITUTES YOUR ACCEPTANCE OF THESE RATES, TERMS, AND CONDITIONS. If you do not agree to these prices, charges, terms and conditions, do not use the Service, and contact your local telephone company or the Company to cancel the Service immediately.

The rates, terms, and conditions for any intrastate long distance service offered by the Company are governed by the Company's tariffs filed with the Mississippi Public Service Commission.

1. AVAILABILITY OF SERVICE. Subject to the availability of facilities and subject to transmission and like conditions, the Service is available for your use twenty four (24) hours a day, seven (7) days a week. The rates for the Service are provided on the company's website at www.traceroad.com and are incorporated herein by reference.

2. USE OF SERVICE. You may use the Service for any lawful purpose. Any unlawful or fraudulent use of the Service is strictly prohibited and may be grounds for immediate termination of Service by the Company. Use of the Service herein in a manner that could interfere with that provided to other users or that could harm the facilities of the Company is prohibited and may be grounds for immediate termination of Service by the Company.

3. RATES AND CHANGES IN RATES, TERMS AND CONDITIONS. Current rates are on the Company's website at www.traceroad.com, and are available at its office located at 63470 Highway 25 North, Smithville, Mississippi, 38870. These rates are incorporated into this agreement by reference. The Company reserves the right to make price changes for the Service or changes in these terms and conditions upon providing fifteen (15) days' advance notice. The Company may elect to provide such notice by any reasonable commercial method including, but not limited to, a bill insert or a bill message. You agree that you will be bound by any change in the rates, terms and conditions of the Service unless you cancel your Service as provided for in Paragraph 13 below prior to the effective date of the change. Any changes to the terms and conditions for the Service shall become effective on the date provided for in the notice to you. By continuing to accept the Service after such date, you agree to the new terms and conditions as modified. From time to time, the Company may decide to offer special promotional offerings allowing special discounts or modifications of its regular Service offerings. Such offerings may be limited to certain dates, times, and locations.

4. LIABILITY OF THE COMPANY AND CREDITS. The liability of the Company, if any, for interruption, delays, or failures in transmissions ("Service Problems"), whether caused by the negligence of the Company or otherwise, is expressly limited to credits issued by the Company to you. No credit will exceed the charges billed by the Company to you for the period during which the Service Problem occurred and in no event shall exceed an

amount equal to one (1) month of the fixed monthly recurring charge (if any) you may pay. No credit will be allowed for Service Problems due to any facilities or equipment you provide or any act or omission to act by you, your authorized user(s), officers, directors, employees, agents, contractors, licensees or invitees or any person or entity who gains access to your Service through your negligence. To determine whether you are due a credit, the time for a Service interruption begins when you notify the Company of the failure in the Service or when the Company has actual knowledge of the failure, and ceases when the Service has been restored and an attempt has been made to notify you. The Company will issue a credit only when the Service interruption lasts more than two (2) hours. Any credit will be calculated based on the total time of the Service interruption as a portion of the monthly billing period (which billing period shall be presumed to be thirty (30) days) and shall only apply to the fixed monthly charges (if any) associated with your Service. The Company reserves the right to require you to apply for any such credit in writing. The Company may deny your request for credit where your evidence is inconclusive or the request for credit is otherwise unwarranted or insufficient. The Company's liability, if any, with respect to the Service shall solely be to you. In no event is the Company liable to any person or to you for any cost, damage or harm whatsoever arising from: (a) your negligence or willful act; (b) the unauthorized use of your Service; (c) the attachment or use of any equipment or wiring by you which you use in conjunction with the Service; (d) the use of any facilities of other carriers by the Company in rendering the Service to you; (e) errors or omissions associated with your telephone number or listing information provided via directory assistance; or (f) any acts beyond the control of the Company including, but not limited to: (1) acts of God, civil disorders, riots, fire, flood, labor problems or regulations, or other catastrophes; or (2), any law, regulation, directive, order or request of any a federal or state governmental authority or agency having jurisdiction over the Company. Under no circumstances whatsoever will the Company or its officers, directors, agents, or employees be liable for indirect, incidental, special, punitive, exemplary, or consequential damages arising from, or in any way attributable to, acts or omissions of the Company relating to the Service. The Company's liability for its willful misconduct associated with the Service is not limited by these terms and conditions.

5. INDEMNITY. You agree to indemnify and hold harmless the Company for any liability with respect to any and all claims and damages, of every kind (including specifically special or consequential damages), arising from your use of the Service. Your indemnity of the Company also extends to: (a) any claims or damages arising out of or attributed, directly or indirectly, to Service Problems; (b) any claims or damages arising out of or attributed, directly or indirectly, to the Service; (c) any claims or damages of the owner of your premises or equipment; or (d) any other third party claims and damages. As part of this indemnity, you also agree to pay to the Company any reasonable costs (including, by way of example only, attorney fees), expenses, damages, fees or penalties incurred by it as a result thereof. You also agree to indemnify, defend and hold harmless the Company against any and all claims, demands, causes of action and liability relating to Service you use, including payment to the Company associated with reasonable attorney's fees

6. NO WARRANTIES. EXCEPT AS MAY BE EXPRESSLY SET FORTH HEREIN, THE COMPANY MAKES NO WARRANTIES EXPRESS OR IMPLIED WITH RESPECT TO THE PROVISION OF ITS SERVICES, AND EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7. PAYMENT. You will provide the Company with your name, address and telephone number for billing purposes. Business entities will provide the name of a designated officer

or agent. All information provided will be accurate, and the Company has the right to access and verify credit information. Once Service is activated, you are responsible for paying all charges (including all necessary taxes and other fees) associated with the Service that are attributable to you regardless of whether such use is authorized by you. Monthly Service charges (if any) are billed in advance and usage charges are billed in arrears. All bills from the Company are due as specified on the bill and are payable at the Company's office as designated on the bill. The Company may apply a late fee of four dollars (\$4.00) or the maximum fee or rate permitted by law to each of your bills not paid by the due date. You are responsible to pay all the Company's cost of collection, including bank charges and reasonable attorneys' fees. In the event that a check, bank draft, or electronic funds transfer tendered by you is returned, a fee of thirty dollars (\$30.00) or the maximum amount permitted by law or regulation will apply, unless the return is a bank error that is properly documented by you.

8. CALCULATION OF USAGE. Charges for usage-based Service offered by the Company begin when the connection is established. Unless otherwise noted in the specific description (if any) of the Service offering that you use, usage charges are assessed in increments of one (1) minute, with fractional minute usage rounded up to the next whole minute. Where charges for Service vary due to time of day, time periods are defined in the Company's rate tables and are determined by the local time of the location where you make the call. When a call is established in one rate period and ends in another rate period, the rates are based on the portion of your call that occurs within each rate period.

9. TAXES, FEES AND SURCHARGES. In addition to the charges for the Service, you are also responsible for paying all applicable federal, state and local use, excise, sales or privilege taxes, and all fees chargeable to or against the Company as a result of its provision of Service to you.

10. BILLING DISPUTES. If you believe you have been billed in error, you must contact the Company within thirty (30) days of the date of the bill which contains the disputed charge. Refunds or adjustments will not be issued for any charge that is more than sixty (60) days old. You may withhold from payment to the Company the disputed portion of any bill pending resolution of the dispute, but all undisputed charges are due within the normal time period. The Company will notify you of the results of its inquiry, and either adjust the billing, issue a credit, or notify you that all or a portion of the disputed amount is still owed. You will be required to pay such amount within thirty (30) days thereafter, and if you fail to pay this amount within the time required, your account will be deemed past due and unpaid. In such event, the Company will be entitled to terminate your Service immediately without any liability whatsoever and/or require an additional deposit. In addition, any payments you withheld pending resolution of the dispute may be subject to a late payment fee of four dollars (\$4.00) or the maximum fee or percentage rate permitted by law or regulation per month for the period during which such charges remain unpaid.

11. BILLING ENTITY CONDITIONS. When billing for the Company's Services is performed by local exchange telephone companies, credit card companies or others, the payment conditions and regulations of such companies apply, including any applicable interest and/or late payment charges.

12. DEPOSITS. The Company reserves the right to require you to make a deposit to guarantee payment for Service before activating Service. If the Company reasonably determines that your credit worthiness is not acceptable to it, you may be denied Service or may be required to make, at any time, a deposit in an amount equaling up to 3 months, actual or estimated, charges for the Service you have requested. The Company may increase the amount of any deposit previously required of you if, in the Company's sole discretion, such

increase is reasonably necessary under the circumstances. The Company will return your deposit as follows: (a) when an application for Service has been cancelled prior to the time that your Service is activated, your deposit will be applied to any existing charges, and any excess portion of the deposit, if any, will be returned by the Company within sixty (60) days following settlement of your account; (b) upon the discontinuance of Service, the Company will refund your deposit to the extent that it exceeds any unpaid charges for Service provided to you; or (c) the unused portion of a deposit will be refunded to you if you have paid each bill rendered by the Company for Service within the prescribed period for each of the twelve (12) months after the date the deposit was made. The refunding or crediting of your deposit and accrued interest (if any) in no way relieves you of your obligation to comply with all of the terms and of this contract or from making payments when due. In the case of a cash deposit, interest will be paid for the period during which your deposit is held by the Company at the rate required by law. If the Company, in its sole discretion, determines that you are not capable of satisfying your payment obligations, Service may be canceled by the Company upon written notice.

13. TERMINATION OF SERVICE BY THE CUSTOMER. Upon providing the Company adequate information as to your identity, you may terminate Service by notifying the Company at least one day in advance of your cancellation. All amounts due under the terms and conditions of the Service plan selected are immediately due and payable and your payment obligation to the Company shall continue until all such due and owing amounts for the Service have been paid by you to the Company. The Company reserves its rights under either law or equity to pursue all available remedies to it for amounts due and owing by you for the Service.

14. TERMINATION OF SERVICE BY THE COMPANY. The Company may immediately terminate or withhold Service to you without incurring any liability whatsoever for the following reasons: (a) nonpayment of any sum due for Service where your charges remain unpaid more than five (5) days, excluding weekends and holidays, following written notice of nonpayment from the Company mailed, postage prepaid, to your last known address; (b) your acts or omissions which constitute, in the reasonable opinion of the Company, a violation of or a failure to comply with any term of this contract, and where such violation or failure to comply with a term of this contract threatens to interfere with the Company's operations or its furnishing of Service to, or the use of Service by, another customer of the Company; (c) the implementation of any order of a court of competent jurisdiction, or of a federal or state regulatory authority of competent jurisdiction, prohibiting the Company from furnishing you Service; (d) where you have failed or neglected to tender any additional or required deposit within fifteen (15) days of demand by the Company; or (e) where the Company reasonably deems partial or complete termination of Service is necessary to prevent unlawful use of its Service. In the event your Service is partially or completely terminated for any of the reasons stated herein, you will remain responsible for all unpaid Service charges due and owing to the Company. The Company will have the right to apply your deposit and any accrued interest to all cancellation charges and to all associated outstanding charges associated with your Service. If you seek reinstatement of Service following a partial or complete termination of Service by the Company, you will pay to the Company prior to the time Service is reinstated: (a) all accrued and unpaid charges; and (b) a deposit.

15. TESTING AND INSPECTIONS. Without incurring any liability whatsoever, the Company may, at any time, interrupt the provision of Service to you in order to perform tests and inspections to assure compliance with this contract and/or the proper installation and operation of either your equipment and facilities or the Company's equipment and facilities.

The Company may continue such interruption until any noncompliance or improper equipment or facilities identified is corrected. To the extent determined necessary by the Company, you shall provide access to your premises or your authorized user's premises to Company personnel for inspection, repair and/or removal of any facilities or equipment of the Company on an unrestricted basis, twenty-four (24) hours a day, seven (7) days a week.

16. WAIVER. Based on the circumstances presented, the Company may waive certain of the requirements stated herein. Such waiver will be limited to that set of specific circumstances and will not eliminate your obligation to continue to comply with the terms and conditions stated herein.

17. NOTICE. Written notice to you shall be sent to your last known address in Company's records. All written notice shall be deemed given three (3) days after such notice is postmarked.

18. CHOICE OF LAW JURISDICTION. You and the Company agree that this contract is governed by and construed under the laws of the State of Mississippi without regard to choice of law principles.

19. WAIVER OF CLASS ACTIONS. You and the Company specifically agree that all claims between you and the Company related to this contract will be litigated individually and you may not consolidate or seek class treatment for any claim, unless previously agreed to in writing by both you and the Company. This waiver survives termination of Service to you.

20. SEVERABILITY. If any part of this contract is held invalid or unenforceable, the rest of this contract shall remain in full force and effect unless the Company determines that its obligations hereunder are materially impaired.

21. NO WAIVER. If either you or the Company does not enforce any right or remedy available under this contract, that failure is not a waiver of the right or remedy for any other breach or failure by the other. The Company's waiver of any requirement in any one instance is not a general waiver of that requirement and does not amend this contract.

22. HEADINGS. Section headings are for descriptive purposes only and are not used to interpret this contract.

23. ENTIRE TERMS AND CONDITIONS. This contract (including any referenced documents and attachments) make up the entire terms and conditions between you and the Company for the Service and replace all prior written or spoken terms and conditions, representations, promises or understandings between you and the Company.

24. ASSIGNMENT. The Company can assign all or part of the Company's rights or duties under this contract without notice to you. You may not assign this contract or the services without the Company's written agreement, which shall not be unreasonably withheld.