
SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.9 FlexDistance Plan, (cont'd)

3.9.2 Rates and Charges, (cont'd.)

D. Termination Liability

When the Customer terminates service under this plan prior to the expiration of the Customer's selected term commitment, a termination charge will be assessed. The termination charge is calculated by multiplying 35 percent (35%) of the Customer's Monthly Usage Guarantee multiplied times the number of months remaining in the term.

Early termination charge will apply in all instances where the Flex Plan is terminated by the Customer, including:

1. When the Customer disconnects its entire account;
2. When the Customer selects a shorter term; or
3. When the Customer negotiates a reduction in their monthly spending commitment more than one level during a billing cycle.

Early termination charge will not apply under the following circumstances:

1. When the Customer's physical location changes, but the term plan is continued at the new location;
2. When the Customer negotiates the term plan for a longer term;
3. When the Customer moves to a jurisdiction where the Company is prohibited from offering service;
4. When the Customer changes plan prior to 60 days of service;
5. When the Customer returns to the Company as a result of a Winback program;
6. When the Customer reduces their term monthly spend level one level during a billing cycle; or
7. When the Customer moves from a one or three year term on Flex Distance Service to Unlimited Long Distance Service.

At the expiration of the term commitment, the Customer will continue at the same commitment and usage rate unless they notify the Company of a change to a different term commitment/minimum usage guarantee or to a different plan. If the Customer continues without notifying the Company of any changes, the Customer will remain liable for the MUG to which they were originally subscribed.