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SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of ITS Telecommunications Systems, Inc.

ITS' services and owned or leased facilities are furnished for communications originating and or terminating at specified points within the state of Florida under terms of this tariff.

ITS installs, operates, and maintains the communications services provided hereinunder in accordance with the terms and conditions set forth under this tariff. ITS may use LEC facilities or may order access connection facilities provided by other carriers or entities, in order to allow connection of a Subscriber's location to ITS' network.

The Company's services and facilities are billed monthly, unless otherwise provided, and are available twenty-four hours per day, seven days per week.

2.2 Limitations

2.2.1 Service is offered subject to availability of the necessary facilities and equipment, and service is subject to the provisions of this tariff.

2.2.2 ITS reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using service in violation of provisions this tariff, or in violation of the law.

2.2.3 ITS does not undertake to transmit messages, but offers the use of its owned or leased facilities when available, and will not be liable for errors in transmission or for failure to establish connections.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd)

2.2 Limitations, (cont'd)

2.2.4 All facilities provided under this tariff are directly controlled by ITS and the Subscriber may not transfer or assign the use of service or facilities without the express written consent of the Company.

2.2.5 All regulations and conditions contained in this tariff shall apply to all permitted assignees or transferees.

2.3 Use

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited. Customers reselling or rebilling the Company's Florida intrastate service must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Florida Public Service Commission.

2.4 Liabilities of the Company

2.4.1 ITS' liability for damages arising out of mistakes, interruptions, omission, delays, errors, or defects in transmission which occur in the course of furnishing service or facilities, in no event shall exceed an amount equivalent to the proportionate charge to the Customer for the period during which the faults in transmission occur.

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**SECTION 2 - RULES AND REGULATIONS, (Cont'd)****2.4 Liabilities of Company, (cont'd)**

- 2.4.2 The Company shall not be liable for claim for loss, expense or damage (including indirect, special or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction or any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.
- 2.4.3 The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer against any claim for loss, expense or damage (including indirect, special or consequential damage) for defamation, libel, slander, invasion, infringement of copy-right or patent, unauthorized use of any trademark, trade name or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data, information, or other content revealed to, transmitted, or used by the Company under this tariff; or for any act or omission of the Customer or Subscriber; or for any personal injury or death of any person caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use or removal of equipment or wiring provided by the Company, if not directly caused by negligence of the Company.
- 2.4.4 No agent or employee of any other carrier shall be deemed to be an agent or employee of the Company, except that independent sales agents and billing agents for ITS may occasionally act as an agent for ITS.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd)

2.4 Liabilities of Company, (cont'd)

2.4.5 The Company shall not be liable for any defacement of or damages to the premises of a Subscriber resulting from the furnishing of service which is not the direct result of the Company's negligence.

2.5 Deposits

The Company does not require a deposit from Customers.

2.6 Advance Payments

The Company, at its option, may require an advance payment from certain customers, and ITS reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges, and, if necessary, a new advance payment will be collected for the next month, until the Customer's payment record has become acceptable to the Company.

2.7 Taxes

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.8 Terminal Equipment

The Company's facilities and service may be used with or terminated in Subscriber-provided terminal equipment or Subscriber-provided communications systems, such as a PBX or Pay Telephone. Such terminal equipment shall be furnished and maintained at the expense of the Subscriber, except as otherwise provided. The Subscriber is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of ITS' service. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry as endorsed by the Federal Communications Commission.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd)

2.9 Installation and Termination

Service will be commenced after mutual agreement between the Subscriber and the Company. The agreement will determine terms and conditions of installation, termination of service, any applicable sales commission structure, and sales commission payment schedule. The service agreement does not alter rates specified in this tariff.

2.10 Payment for Service

All charges due by the Customer are payable to any agency duly authorized to receive such payments. The billing agency may be a local exchange telephone company, or other billing service. Terms of payment shall be according to the rules and regulations of the Company and regulatory agencies, such as the Florida PSC. Any objections to billed charges must be promptly reported to the Company's billing agent. Adjustments to Customer's bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate. If any payment is made by a check which is returned for insufficient funds, the Company will impose a charge as allowed by §832.07, F.S.

2.11 Other Rules

2.11.1 The Company reserves the right to refuse Third Party billing at its discretion.

2.11.2 The Company reserves the right to refuse to process Credit Card or Calling Card billed calls when authorization for use of the card cannot be validated.

2.11.3 The Company reserves the right to discontinue service, limit service, or to impose requirements on Subscribers as required to meet changing regulatory rules and standards of the FPSC.

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