

**DIVISION OF COMMUNICATIONS BUREAU OF SERVICE EVALUATION**

DEPOSIT

DATE

**APPLICATION FORM**

**D048 •**

**DEC 17 1998**

**for AUTHORITY TO PROVIDE  
INTEREXCHANGE TELECOMMUNICATIONS SERVICE  
WITHIN THE STATE OF FLORIDA**

**981875-TL**

**Instructions**

- ◆ This form is used as an application for an original certificate and for approval of assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).
- ◆ Print or Type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

**Florida Public Service Commission  
Division of Records and Reporting  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
(850) 413-6770**

Note: **No filing fee is required** for an assignment or transfer of an existing certificate to another certificated company.

- ◆ If you have questions about completing the form, contact:

**Florida Public Service Commission  
Division of Communications  
Bureau of Certification and Evaluation  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
(850) 413-6600**

1. This is an application for  $\checkmark$  (check one):

**Original certificate** (new company).

**Approval of transfer of existing certificate:**

Example, a certificated company purchases an existing certificated company and desires to retain the authority of both certificates.

**Approval of assignment of existing certificate:**

Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.

**Approval of transfer of control:**

Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

Daytona Telephone Company

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3. Name under which applicant will do business (fictitious name, etc.):

N/A

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4. Official mailing address (including street name & number, post office box, city, state, zip code):

7850 Stage Hills Boulevard, Suite 102

Post Office Box 34668

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Bartlett, TN 38133

Memphis, TN 38184-0668

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5. Florida address (including street name & number, post office box, city, state, zip code):

404 Halifax (proposed)

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Daytona Beach, FL 32174

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Name: N/A

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

Internet Website Address: \_\_\_\_\_

9. **If incorporated in Florida**, provide proof of authority to operate in Florida:

(a) **The Florida Secretary of State Corporate Registration number:**  
F98000004432

10. **If foreign corporation**, provide proof of authority to operate in Florida:

(a) **The Florida Secretary of State Corporate Registration number:**  
\_\_\_\_\_

11. **If using fictitious name-d/b/a**, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

(a) **The Florida Secretary of State fictitious name registration number:** N/A

12. **If a limited liability partnership**, provide proof of registration to operate in Florida:

(a) **The Florida Secretary of State registration number:** N/A

13. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.

Name: N/A

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

Internet Website Address: \_\_\_\_\_

14. **If a foreign limited partnership**, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

(a) The Florida registration number: N/A

15. Provide **FEID Number**(if applicable): \_\_\_\_\_

16. Provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services?  
(  ) Yes (  ) No

(b) If not, who will bill for your services?

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

(c) How is this information provided?

\_\_\_\_\_  
\_\_\_\_\_

City/State/Zip: Bartlett, TN 38184-0668

Telephone No.: (901) 384-9100 Fax No.: (901) 385-7020

Internet E-Mail Address: Mbogersr@Concentric.Net

Internet Website Address: \_\_\_\_\_

18. List the states in which the applicant:

(a) has operated as an interexchange telecommunications company.

None

(b) has applications pending to be certificated as an interexchange telecommunications company.

None

(c) is certificated to operate as an interexchange telecommunications company.

None

(d) has been denied authority to operate as an interexchange telecommunications company and the circumstances involved.

None

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

None

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- (f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

None

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19. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

None

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(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

None

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20. The applicant will provide the following interexchange carrier services  (check all that apply):

a. \_\_\_\_\_ **MTS with distance sensitive per minute rates**

k.  **Operator services**

- Available to presubscribed customers
- Available to non presubscribed customers (for example, to patrons of hotels, students in universities, patients in hospitals).
- Available to inmates

l. **Services Included are:**

- Station assistance
- Person-to-person assistance
- Directory assistance
- Operator verify and interrupt
- Conference calling

21. Submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

22. Submit the following:

A. **Financial capability.**

The application should contain the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include:

1. the balance sheet;
2. income statement; and
3. statement of retained earnings.

**NOTE:** *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with*



*financial institutions.*

Further, the following (which includes supporting documentation) should be provided:

1. **A written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. **A written explanation** that the applicant has sufficient financial capability to maintain the requested service.
3. **A written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.

**B. Managerial capability;** give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

**C. Technical capability;** give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.



WID-AMERICAN COMMUNICATIONS, INC.

BALANCE SHEET

JUNE 30, 1998

ASSETS

Current Assets		
Cash	\$ 130,305.29	
Accounts receivable	198,648.39	
Deferred cost of sales	1,419.00	
Inventory	729,388.49	
Inventory - MCI	0.00	
Total Current Assets		1,059,761.17
Property and Equipment		
Equipment	151,117.58	
Automobiles and Trucks	73,060.28	
Repairs Accum.	760.46	
Leasehold improvements	837.89	
Furniture and Fixtures	45,022.18	
	270,798.39	
Accum. Depreciation - Memphis	(233,425.66)	
Net Property and Equipment		37,372.73
Other Assets		
Prepaid Expenses	5,313.13	
Deposits	1,604.54	
Software	19,104.58	
Software Development	2,785.09	
Accumulated Amortization	(16,908.10)	
Total other Assets		11,899.24
Total Assets		<u>\$1,109,033.14</u>

*M. J. ... 12/16/98*

AND-AMERICAN COMMUNICATIONS, INC.

BALANCE SHEET

JUNE 30, 1998

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	\$ 259,441.65	
Sales tax payable	29,080.32	
Customer deposits	24,725.63	
Wages Payable	13,981.22	
Deferred commission Pay	0.00	
Deferred rent	248.10	
FICA tax payable	1,069.56	
Unemployment tax payable	0.00	
State withholding payable	0.00	
Income taxes payable	19,486.63	
Notes payable	4,073.28	
Visa payable	2,690.59	
Mastercard payable	9,996.77	
Total Current Liabilities		<u>384,793.75</u>

Other Liabilities

Notes payable - long term	9,903.64	
Notes payable - stockholder	8,864.39	
Deferred commission pay	0.00	
Total Other Liabilities		<u>18,768.03</u>

Total Liabilities

383,561.78

Stockholder's Equity

Common Stock	55,840.00	
Retained earnings	612,784.90	
Current Yr. Earnings ( deficit )	56,846.46	
Total Stockholder's Equity		<u>725,471.36</u>

Total Liab & Stockholder Equity

\$1,109,033.14

## MID-AMERICAN COMMUNICATIONS, INC.

BALANCE SHEET  
DECEMBER 31, 1997

## ASSETS

Current Assets		
Cash	\$ 85,642.68	
Accounts receivable	137,621.78	
Deferred cost of sales	9,932.34	
Inventory	724,123.68	
Inventory - MCI	0.00	
Total Current Assets		957,320.48
Property and Equipment		
Equipment	151,117.58	
Automobiles and Trucks	73,060.28	
Repairs Accum.	760.46	
Leasehold Improvements	837.89	
Furniture and Fixtures	45,022.18	
	270,798.39	
Accum. Depreciation - Memphis	(227,136.28)	
Net Property and Equipment		43,662.11
Other Assets		
Prepaid Expenses	3,937.50	
Deposits	1,604.54	
Software	18,570.18	
Software Development	2,785.09	
Accumulated Amortization	(15,850.54)	
Total other Assets		11,046.77
Total Assets		<u>\$1,012,029.36</u>

*Mucina & Sons to 12/16/98*

MID-AMERICAN COMMUNICATIONS, INC.  
 CONSOLIDATED  
 BALANCE SHEET  
 DECEMBER 31, 1998

ASSETS

Current Assets		
Cash	\$ 152,188.94	
Accounts receivable	262,735.59	
Deferred cost of sales	197,159.36	
Inventory	725,231.49	
Inventory - MCI	<u>0.00</u>	
Total Current Assets		1,337,313.38
Property and Equipment		
Equipment	137,969.07	
Automobiles and Trucks	112,311.01	
Repairs Accum.	760.46	
Leasehold improvements	837.89	
Furniture and Fixtures	<u>45,022.18</u>	
	296,900.61	
Accum. Depreciation - Memphis	<u>(225,094.35)</u>	
Net Property and Equipment		71,806.26
Other Assets		
Prepaid Expenses	14,033.42	
Deposits	2,014.54	
Software	18,399.20	
Software Development	2,785.09	
Accumulated Amortization	<u>(12,638.08)</u>	
Total other Assets		24,594.17
Total Assets		<u>\$1,433,713.81</u>

*Mcint & Pugh = 12/16/98*

MID-AMERICAN COMMUNICATIONS, INC.  
CONSOLIDATED  
BALANCE SHEET  
DECEMBER 31, 1995

ASSETS

Current Assets		
Cash	\$ 236,326.65	
Accounts receivable	276,628.23	
Deferred cost of sales	56,983.90	
Inventory	719,899.83	
Inventory - MCI	<u>4,698.61</u>	
Total Current Assets		1,294,537.22
Property and Equipment		
Equipment	124,373.42	
Automobiles and Trucks	74,589.14	
Repairs Accum.	760.46	
Leasehold improvements	837.89	
Furniture and Fixtures	<u>44,472.50</u>	
	245,033.41	
Accum. Depreciation - Memphis	<u>(197,685.82)</u>	
Net Property and Equipment		47,347.59
Other Assets		
Prepaid Expenses	13,451.97	
Deposits	7,074.87	
Software	12,776.26	
Software Development	2,785.09	
Accumulated Amortization	<u>(8,601.47)</u>	
Total other Assets		27,486.72
Total Assets		<u>\$1,369,371.53</u>

*Michael A. [unclear] 12/16/98*

MID-AMERICAN COMMUNICATIONS, INC.  
CONSOLIDATED  
BALANCE SHEET  
DECEMBER 31, 1995

LIABILITIES AND EQUITY

Current Liabilities			
Accounts Payable	\$	168,025.96	
Sales tax payable		27,964.89	
Customer deposits		221,267.03	
Wages Payable		55,095.43	
Deferred commission Pay		0.00	
Deferred rent		7,628.91	
FICA tax payable		4,141.80	
Unemployment tax payable		982.51	
State withholding payable		743.99	
Income taxes payable		3,006.57	
Notes payable		162,193.18	
Visa payable		3,123.24	
Mastercard payable		0.00	
Total Current Liabilities			<u>654,173.51</u>
Other Liabilities			
Notes payable - long term		6,210.95	
Notes payable - stockholder		102,763.40	
Deferred commission pay		0.00	
Total Other Liabilities			<u>108,974.35</u>
Total Liabilities			<u>763,147.86</u>
Stockholder's Equity			
Common Stock		55,840.00	
Retained earnings		543,117.43	
Current Yr. Earnings ( deficit )		7,266.24	
Total Stockholder's Equity			<u>606,223.67</u>
Total Liab & Stockholder Equity			<u>\$1,369,371.53</u>

## Explanation for page 11 - Financial Capability

Daytona Telephone Company is an affiliate of Mid-American Communications, Inc. Mid-American Communications, Inc. has been providing nationwide interconnect products and services for over 15 years. Our primary markets are hotel/motel, condominiums/time share and commercial customers. We see the need to expand our services to include local exchange services in areas which have a high concentration of the type of customers that we serve and are not yet being competitively served by other facilities based CLEC's.

Mid-American Communications, Inc. is providing a Class 4 and Class 5 switch and electronics necessary for our initial Florida operation. Daytona Telephone Company will provide local exchange services in Daytona Beach, Florida. In addition, Mid-American Communications will transfer the necessary managers and technical personnel to Daytona Telephone Company to run the company. We will hire an administrative staff from the Daytona Beach area as needed.

The majority of the capital and operational expenses are now being covered by Mid-American Communications, Inc. Additional overhead such as building lease, utilities, etc. will also be picked up by Mid-American Communications, Inc. until such time Daytona Telephone Company has a positive cash flow and can sustain growth. A financial projection is attached.



Daytona Telephone Company  
Projections

Year 2

	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00	Two
Rooms online	3600	3900	4200	4500	4800	5100	5400	5700	6000	6300	6600	6900	7200
CLEC Revenue	81460	89658	97749	105886	114030	122175	130320	138465	146610	154756	162900	171045	1814870
O+ Revenue	10000	10500	11000	11500	12000	12500	13000	13500	14000	14500	15000	15500	163000
1+ Revenue	2800	3100	3400	3700	4000	4300	4600	4900	5200	5500	5800	6100	63400
Total Revenue	\$41360	103156	113140	121086	130030	138875	147820	156865	165810	174756	183700	192645	1721370

Overhead  
Switch  
Fiber  
Building  
Utilities  
Salaries  
T-1 Circuits  
O+ Commission  
Misc. & Travel

Total P/L

5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	80000
33000	33000	33000	33000	33000	33000	33000	33000	33000	33000	33000	33000	33000	286000
3600	3600	3600	3600	3600	3600	3600	3600	3600	3600	3600	3600	3600	42000
500	500	500	500	500	500	500	500	500	500	500	500	500	6000
18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	281000
7200	7600	8000	8400	8800	9200	9600	10000	10400	10800	11200	11600	12000	77000
1500	1575	1650	1725	1800	1875	1950	2025	2100	2175	2250	2325	2400	22850
2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	28400
70800	71875	72850	73825	74800	75775	76750	77725	78700	79675	80650	81625	82600	821560
23360	31820	37280	44060	53330	63860	69370	76840	87910	94680	103850	113220	113220	800000

Daytona Telephone Company  
Projections

Year 3

	Year												
	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Three
Room on-line	7000	7500	7800	8100	8400	8700	9000	9300	9600	9900	10200	10500	10800
CLIC Revenue	179180	187238	196440	205826	211770	216918	228060	236206	244350	252496	260640	268786	268786
O+ Revenue	16000	16000	17000	17500	18000	18500	19000	19500	20000	20500	21000	21500	225000
1+ Revenue	8100	8400	8700	7000	7300	7600	7900	8200	8500	8800	9100	9400	93000
Total Revenue	201290	210236	219180	228126	231970	246016	254560	263506	272850	281796	290740	299686	3006865

Overhead	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Three
Switch	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	96000
River	33000	33000	33000	33000	33000	33000	33000	33000	33000	33000	33000	33000	396000
Building	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	42000
Lights	500	500	500	500	500	500	500	500	500	500	500	500	6000
Salaries	29000	28000	28000	30500	30500	30600	33000	33000	33000	33500	35600	35500	381000
1+1 Circuits	4000	3600	3200	2800	2400	2000	2000	2000	2000	2000	2000	2000	30000
O+ Commissions	2400	2475	2550	2625	2700	2775	2850	2925	3000	3075	3150	3225	33750
Misc & Travel	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	26400
	81600	81275	80860	83125	82900	82475	85060	86125	85200	87775	87860	87925	101180

TOTAL P/L	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Three
	119690	129960	138230	146000	154270	163540	169910	178780	187650	196520	205390	211760	1994700

In 1994, ATN sold its customer base and network to MIDCOM Communications and for much of that year, John managed the transition of ATN's operations to MIDCOM. John headed his own consulting firm advising such companies as Nortel, AT&T, Digital Transmissions, Tel Central and Plant Equipment, Inc. on issues involving E-911, Public Safety Networks, Shared Tenant Technology and Local Service. John is a graduate of the University of Alabama with a degree in Business.

## Explanation for page 11 - Technical Capability

Daytona Telephone Company will have, in addition to its technical management team, factory certified Central Office Engineer (CEO), Outside Plant Engineer (OSPE), Installation and Maintenance Manager (IMM), Customer Service Representatives (CSR), and administrative staff for billing issues. Additional technicians and support staff are projected in our performance forecast.

In addition to the above technical personnel, Daytona Telephone Company will have the support of Mid-American Communications, Inc.'s (TAC) technical assistance center which provides 24 hours a day, 7 days a week technical assistance, Orlando Business Telephone Company, a large interconnect company in Orlando, FL will provide installation and repair services, Orlando Telephone Company (OTC) an ALEC in Orlando, FL will provide technical assistance for fiber cable and electronic equipment installation and repair and will provide billing assistance.

Daytona Telephone Company will have direct factory support from the switch manufacturer and all electronic equipment manufacturers. All manufacturers have agreed to train and certify all of our management and technical personnel.

Daytona Telephone Company will have a management and technical staff with an average of 25 years of management and technical experience. Daytona Telephone Company will have the assistance of affiliate and associated companies who have over 150 employees who are trained and have years of experience in telecommunications.

Daytona Telephone Company will have continuing support from the manufacturers supplying its equipment.

With the massive technical support pool available, Daytona Telephone Company will be able to have solid growth and will be able to maintain the highest possible level of technical integrity.

**CERTIFICATE TRANSFER, OR ASSIGNMENT STATEMENT**

I, (Name) \_\_\_\_\_

(Title) \_\_\_\_\_ of

\_\_\_\_\_  
(Name of Company)

and current holder of Florida Public Service Commission Certificate Number # \_\_\_\_\_

\_\_\_\_\_ have reviewed this application and join in the petitioner's request for a:

( ) transfer

( ) assignment

of the above-mentioned certificate.

**UTILITY OFFICIAL:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Telephone No.

Address: \_\_\_\_\_

\_\_\_\_\_  
Fax No.

\_\_\_\_\_  
\_\_\_\_\_

**CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be provided in one of the following ways (applicant, please  check one):

- (  ) The applicant will not collect deposits nor will it collect payments for service more than one month in advance.
  
- (  ) The applicant intends to collect deposits and/or advance payments for more than one month's service and will file and maintain a surety bond with the Commission in an amount equal to the current balance of deposits and advance payments in excess of one month.  
(The bond must accompany the application.)

**UTILITY OFFICIAL:**

*Michael J. Berger* \_\_\_\_\_ *12/16/01* \_\_\_\_\_  
Signature Date

President / CEO \_\_\_\_\_ (901) 384-9100 \_\_\_\_\_  
Title Telephone No.

Address: 7850 Stage Hills Boulevard, Suite 102 \_\_\_\_\_ (901) 385-7020 \_\_\_\_\_  
Partlett, TN 38133 Fax No.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CURRENT FLORIDA INTRASTATE SERVICES**

Applicant has ( ) or has not (  ) previously provided intrastate telecommunications in Florida.

If the answer is has, fully describe the following:

a) What services have been provided and when did these services begin?

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b) If the services are not currently offered, when were they discontinued?

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**UTILITY OFFICIAL:**

*Michael P. Borge*  
Signature

12/16/98  
Date

President / CEO  
Title

(901) 384-9100  
Telephone No.

Address: 7850 Stage Hills Blvd., Suite 102

(901) 385-7020

Bartlett, TN 38133

Fax No.



**AFFIDAVIT**

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, i am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

UTILITY OFFICIAL:

Signature	<u>Michael D. Borge</u>	Date	<u>12/16/98</u>
Title	<u>President / CEO</u>	Telephone No.	<u>(901) 384-9100</u>
Address:	<u>7850 Stage Hills Boulevard, Suite 102</u>	Fax No.	<u>(901) 385-7020</u>
	<u>Bartlett, TN 38133</u>		

BY-LAWS  
OF  
DAYTONA TELEPHONE COMPANY

ARTICLE I.

Offices

SECTION 1. Principal Office. The principal office of the Corporation shall be located at 200 Jefferson Avenue, Suite 1450, Memphis, Tennessee 38103. The location of the principal office of the Corporation may be changed from time to time by action of the Board of Directors (hereinafter called "Board").

SECTION 2. Registered Office. The registered office of the Corporation shall be located at One Memphis Place, 200 Jefferson Avenue, Suite 1450, Memphis, TN 38103. The location of the registered office of the Corporation may be changed from time to time by action of the Board, but its location must always be identical with the business office of the Corporation's registered agent.

SECTION 3. Other Offices. The Corporation may also have offices and places of business at such other places within or without the State of Tennessee as the Board may determine or the business of the Corporation may require.

ARTICLE II.

Meetings of Shareholders

SECTION 1. Place of Meetings. All meetings of the shareholders shall be held at such place or places either within or without Tennessee as may be selected by the Board and designated in a notice of meeting or in a duly executed waiver of notice thereof.

SECTION 2. Annual Meetings. The annual meeting of the shareholders shall be held at such date between January 1 and June 30 in each year as may be fixed by the Board. At such meeting, the shareholders shall elect directors and transact such other business as may properly come before the meeting.

SECTION 3. Special Meetings. Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by law, may be called by the President or the Board and shall be called by the President or the secretary at the written request of persons holding of record not less than one-tenth (1/10th) of all the outstanding shares of the Corporation entitled to vote at such meeting, which written request shall state the purpose or purposes of such meeting.

Business transacted at all special meetings shall be confined to the purpose or purposes stated in the notice of meeting.

**SECTION 4. Notice of Meetings.** Notice of every meeting of shareholders stating the place, day and hour of the meeting shall be given to each shareholder of record entitled to vote at such meeting not less than ten (10) days nor more than two (2) months before the date of the meeting. Notice of a special meeting shall also state the purpose or purposes for which the meeting is called and the person or persons form of wire or wireless communication; or by mail or private carrier. If these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published; or by radio, television, or other form of public broadcast communication. Written notice by the Corporation to the shareholders is effective when mailed, if mailed first class, postpaid and correctly addressed to the shareholder's address shown in the corporation's current record of shareholders.

**SECTION 5. Waiver of Notice.** A shareholder may waive notice of any meeting either before or after the meeting in writing and signed by the shareholder, which waiver shall be filed with the minutes or other corporate records. A shareholder may also waive such notice by attendance at or participation in a meeting unless the shareholder at the beginning of the meeting, or promptly upon his arrival, objects to holding the meeting or transaction business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

**SECTION 6. Fixing Record Date.** For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or to express consent or dissent from any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividend or in order to make a determination of shareholders for any other proper purpose, the Board may fix, in advance, a date as the record date for any such determination of shareholders. Such date shall not be more than seventy (70) nor less than ten (10) days before the date of any such meeting, nor more than seventy (70) days prior to any other action. If no record date is fixed, the record date for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day preceding the day in which notice if given, or if notice is waived, at the close of business on the business day preceding the day on which the meeting is held. When a determination of shareholders of record entitled to notice of or to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof, unless the Board fixes a new record date for the adjourned meeting. The Board must fix a new record date if the meeting is adjourned to a date more than four (4) months after the date fixed for the original meeting. If the Board fixes a new record date for the adjourned meeting a notice of the adjourned meeting shall be given to each shareholder of record on the new record date entitled to vote at such adjourned meeting.

**SECTION 7. Quorum.** The presence of a quorum shall be necessary at any meeting for the transaction of business. Except as otherwise provided by law, the holders of a majority of the outstanding shares of the Corporation entitled to vote at such meeting, present in person or

## ARTICLE III

### Board of Directors

SECTION 1. General Powers. The business and affairs of the Corporation shall be managed by its Board.

SECTION 2. Number, Qualifications, election, Term of Office. The number of directors which shall constitute the entire Board shall be one. The number of directors may be changed by vote of the shareholders or by vote of a majority of the entire Board, provided that the number of directors shall not be reduced to less than one. A director need not be a shareholder, or a resident of the State of Tennessee. The directors of the Corporation shall be elected at the annual meeting of the shareholders. Each director shall hold office until the next annual meeting of shareholders and until his successor shall have been elected and shall have qualified or until his death or until he shall resign or until he shall have been removed in the manner hereinafter provided, whichever event shall first occur.

SECTION 3. Resignation, Removal. Any director may resign at any time by delivering written notice to the Board, its chairman or president, or to the corporation. Any director may be removed from office at any time, either with or without cause, by vote of the shareholders. If so provided by this Corporation's charter, any or all of the directors may be removed for cause by a vote of a majority of the entire Board. A director may be removed by the shareholders or directors only at a meeting called for the purpose of removing him, and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of directors.

SECTION 4. Vacancies. Whenever any vacancy shall occur on the Board by death, resignation, removal, an increase in the number of directors, or any other reason, the same shall be filled without undue delay by the shareholders or by a majority vote of the remaining members of the Board. If the directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office. A vacancy that will occur at a specific later date may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs. A director elected to fill a vacancy shall hold office until his successor shall have been elected and shall have qualified or until his death, resignation, or removal.

SECTION 5. Place of Meetings. The board may hold meetings at the office of the Corporation or at such other place or places either within or without the State of Tennessee as the Board may determine.



**SECTION 6. Regular Meetings** A regular meeting of the Board shall be held without any requirement of notice immediately after the annual meeting of shareholders. The Board may provide, by resolution, the time for the holding of additional regular meetings without other notice than such resolution.

**SECTION 7. Special Meetings** Special meetings of the Board may be called by or at the request of the chairman of the Board (if any), the President or any two (2) directors. Notice of each such meeting shall be given to each director, at least two (2) days before the day on which the meeting is to be held. Oral notice is effective when communicated if communicated in a comprehensible manner. Written notice is effective at the earliest of the following: (1) when received; (2) five days after its deposit in the U.S. Mail, if mailed correctly addressed and with first class postage affixed thereon; (3) on the dates shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or (4) twenty (20) days after its deposit in the U.S. Mail, as evidenced by the postmark if mailed correctly addressed, and with other than first class, registered or certified postage affixed. (Therefore, if the notice is mailed first class, it must be deposited in the U.S. Mail seven (7) days prior to the meeting). Every such notice shall state the time and place, but need not state the purpose of the meeting. A director may waive any such notice either before or after the meeting in writing and signed by the director, which waiver shall be filed with the minutes or other Corporate records. A director may also waive such notice by attendance at or participation in a meeting unless the director at the beginning of the meeting, or promptly upon his arrival, objects to holding the meeting or transaction business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

**SECTION 8. Quorum and Manner of Acting** A quorum shall consist of a majority of the number of directors fixed or prescribed these By-Laws. A quorum must be present in any vote or action that is taken by the Board. The affirmative vote of a majority of directors present is the act of the Board unless the charter or these By-Laws or law requires the vote of a greater number of directors. A meeting may be adjourned whether or not there is a quorum present. Notice of an adjourned meeting need not be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken, and if the period of adjournment does not exceed one month in any one adjournment. A director who is present at the meeting of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless: (1) he objects at the beginning of the meeting (or promptly upon his arrival) to holding it or transaction business at the meeting; (2) his dissent or abstention from the action taken is entered in the minutes of the meeting; or (3) he delivers written notice of his dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken. Any or all directors may participate in either a regular or special meeting by, or conduct a meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting; a director participating in a meeting by this means is deemed to be present in person at the meeting.

**SECTION 9. Action without Meeting.** Any action required or permitted to be taken at a Board meeting may be taken without a meeting. If all directors consent to taking such action without a meeting, the affirmative vote of the number of directors that would be necessary to authorize or take such action at a meeting is the act of the Board. The action must be evidenced by one or more written consents describing the action taken, signed by each director in one or more counterparts, indicating each signing director's vote or abstention on the action, and shall be included in the minutes or filed with the corporate records reflecting the action taken. Action taken by consent is effective when the last director signs the consent, unless the consent specifies a different effective date. Such consent signed has the effect of a meeting vote and may be described as such in any document.

**SECTION 10. Compensation.** Directors, as such, shall not receive any stated compensation for their services, but they may be allowed a fixed annual or periodic sum, determined by the Board, and expenses of attendance at each regular or special meeting of the Board. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

**SECTION 11. Committees.** The Board may create one or more committees. A committee may consist of one member. All members of committees of the Board which exercise powers of the Board must be members of the Board and serve at the pleasure of the Board. The creation of a committee and appointment of a member or members to it must be approved by a majority of all of the directors in office when the action is taken. All actions taken by committees shall be reduced to writing and kept as part of the corporate records. The provisions of these By-Laws which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board, apply to committees and their members as well. Each committee may exercise the authority of the Board and/or perform other functions as specified by the Board; however, a committee may not: (1) authorize distributions, except according to a formula or method prescribed by the Board; (2) approve or propose to shareholders action that the Tennessee statutes require to be approved by shareholders; (3) fill vacancies on the Board or on any of its committees; (4) amend the charter; (5) adopt, amend or repeal By-Laws; (6) approve a plan of merger not requiring shareholder approval; (7) authorize or approve reacquisition of shares, except according to a formula or method prescribed by the Board; or (8) authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences and limitations of a class or series of shares, except that the Board may authorize a committee (or senior executive officer of the Corporation) to do so within limits specifically prescribed by the Board.

## ARTICLE IV.

### Officers

SECTION 1. Officers. The officers of the Corporation shall be a president and a secretary each of whom shall be elected by the Board. The Board may elect or appoint such other officers, including a chairman of the Board, as may be deemed necessary or desirable. The Board may also authorize any officer to appoint one or more other officers or assistant officers. The same individual may simultaneously hold more than one office in the Corporation, except the offices of president and secretary.

SECTION 2. Election and Term of Office. The officers of the Corporation to be elected by the Board shall be elected annually by the Board at the first meeting of the Board held after each annual meeting of shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as it conveniently may be. Officers may also be elected at any subsequent meeting of the Board. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or until he shall have been removed in the manner hereinafter provided, whichever event shall first occur.

SECTION 3. Removal. The Board may remove any officer at any time with or without cause, and any officer or assistant officer, if appointed by another officer, may likewise be removed by such officer. An officer's removal does not affect the officer's contract rights, if any, with the Corporation. An officer's resignation does not affect the Corporation's contract rights, if any, with the Corporation. An officer's resignation does not affect the Corporation's contract rights, if any, with the officer. The election or appointment of an officer does not itself create contract rights.

SECTION 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board or the officer who appointed the other officer or assistant officer.

SECTION 5. Powers and Duties. The President shall be the Chief Executive Officer of the Corporation and shall have general and active supervision of all of the business and affairs of the Corporation. The President shall preside at all meetings of the shareholders in the absence of a Chairman of the Board. If the Corporation has a Chairman of the Board, he shall preside, when present, at all meetings of the Board and at all meetings of the shareholders. The secretary shall be responsible for the preparation and safe keeping of the minutes of all meetings of the shareholders, directors and committees. Subject to the foregoing, all officers shall have such powers and duties as may be assigned to them by the Board or by the officer who appointed them. Any officer shall furnish, at the expense of the Corporation such fidelity bond as the Board may



require.

SECTION 6. Compensation. The Board shall have the power to fix the compensation of officers directly or by delegation of such authority which may be either general or specific.

## ARTICLE V.

### Certificates for Shares and Their Transfer

SECTION 1. Certificates for Shares. Certificates representing shares of the Corporation shall be in such form as shall be determined by the Board, subject to the requirements of the Tennessee Business Corporation Act. Such certificates shall be consecutively numbered in the order of their issuance and shall be signed by the President or a Vice president and by the Secretary or an assistant Secretary. The signature of one of the officers upon a certificate may be a facsimile if the other officer has manually signed. The signatures of both officers may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation itself or its employee. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer at the date of issue. The name and address of the person to whom the shares represented thereby are issued, with the number and class of shares and dates of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled and no new certificates shall be issued until the former certificate for like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate, a new one may be issued therefor upon such terms and indemnity as the Board may prescribe.

SECTION 2. Transfer of Shares. Transfer of shares of the Corporation shall be made only on the stock transfer books of the Corporation by the holder of record thereof or by his legal representatives, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Corporation. The person in whose name shares stand on the stock transfer books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes. The Corporation may treat any of its shareholders a sui juris until written notice to the contrary is received by the Corporation.

fixing their relative rights, preferences, and limitations, if shares issued pursuant to those resolutions are outstanding; (4) the Minutes of all shareholders' meetings, and records of all action taken by shareholders without a meeting, for the past three years; (5) all written communications to shareholders generally within the past three years, including any financial statements prepared for the past three years; (6) a list of the names and business addresses of its current directors and officers; and (7) the Corporation's most recent annual report delivered to the Secretary of State.

SECTION 6. Fiscal Year. The fiscal year of the Corporation shall commence on January 1 of each year.

SECTION 7. Seal. The Corporation shall have no seal.

## ARTICLE VII.

### Indemnification and Insurance

SECTION 1. Indemnification. For purposes of this Article VII, "director" means an individual who is or was a director of this Corporation, including individuals who have been duly authorized to perform some or all of the duties of a director, or an individual who, while a director of this Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. A director is considered to be serving an employee benefit plan at the Corporation's request if his duties to the Corporation also impose duties on, or otherwise involve services by him to the plan or to participants in or beneficiaries of the plan. "Director" includes the estate or personal representative of a director. Each director and officer shall be indemnified by the Corporation against any "liability" because he is or was a director or officer. "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan) or reasonable expenses incurred with respect to a proceeding (any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal). However, no indemnification may be made to or on behalf of any director or officer if a judgment or other final adjudication adverse to the director or officer establishes his liability: (1) for any breach of the duty of loyalty to the Corporation or its shareholders; (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (3) for any liability for an unlawful distribution. The Corporation shall advance the reasonable expenses of a director or officer in connection with any "proceeding" (as defined above) involving a director or officer because he is or was a director or officer; provided that, the director or officer shall be obligated to repay the Corporation the advanced expenses if indemnification by the Corporation is not permitted as stated above.

SECTION 2. Insurance. The Corporation may purchase and maintain insurance on behalf

of an individual who is or was a director, officer, employee, or agent of the Corporation, or who, while a director, officer, employee, or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against liability asserted against or incurred by him in that capacity or arising from his status as a director, officer, employee, or agent, whether or not the Corporation would have power to indemnify him against the same liability.

## ARTICLE VIII.

### Emergency By-Laws

SECTION 1. Emergency. For purposes of this Article VIII, an "emergency" exists when a quorum of the corporate directors cannot readily be assembled because of some catastrophic event.

SECTION 2. Emergency By-Laws. In the event of an emergency as defined in Section 1, and only for the duration of the emergency, provisions of this Corporation's regular by laws inconsistent with these emergency By-Laws are suspended. A meeting of the Board of Directors may be called by the Chairman of the Board, the President, any one director, or by any officer of the Corporation in the event the Chairman of the Board and President are unavailable. A meeting of the Board may be held as soon as a good faith effort has been made to give oral notice of the meeting to all the directors and sufficient time has elapsed to give the notified directors time to attend the meeting in person, by telephone or some other means of communication. One director shall constitute a quorum. Action taken by a majority of directors at the meeting in person or through some other means of communication shall constitute the act of the Board. In the event no director can be reached within a reasonable time under the circumstances, the two most senior officers of the Corporation available by phone or otherwise are hereby designated directors, and the unanimous action of the two designated directors shall constitute the act of the Board. Any action of the Board taken under these emergency By-Laws shall be reduced to writing and brought to the attention of the entire Board as soon as practicable. The minutes of the emergency meeting shall reflect that: (1) the action was taken pursuant to these emergency By-Laws; (2) who called the meeting; (3) what directors were reached; (4) who attended the meeting in person or by some other means of communication; (5) the action taken, and (6) the vote thereon by the directors.

## ARTICLE IX.

### Amendments

SECTION 1. Amendments. The shareholders at the time entitled to vote in the election of directors may alter, amend or repeal these By-Laws. The Board may also alter, amend or

**MINUTES OF THE  
ORGANIZATIONAL MEETING OF  
THE BOARD OF DIRECTORS  
OF  
DAYTONA TELEPHONE COMPANY**

The organizational meeting of the Board of Directors of Daytona Telephone Company was held at One Memphis Place, 200 Jefferson Avenue, Suite 1450, Memphis, Tennessee on Friday, June 26, 1998 at 2:00 p.m. CDT.

The Director of the Corporation was present in person as follows:

Michael Boger, Sr.

Michael Boger, Sr. acted as both Chairman and Secretary of the meeting.

The Chairman stated that the object of the meeting was to complete the organization of the Corporation to be known as Daytona Telephone Company

The Chairman produced a copy of the Corporation's charter, the original of which had been filed with the Secretary of State of the State of Tennessee on June 5, 1998, and which was duly recorded in the Register's Office of Shelby County, Tennessee on June 26, 1998. Upon motion duly made and seconded, the Board of Directors unanimously:

**RESOLVED**, that the Charter of Daytona Telephone Company attached hereto as Exhibit A, as filed with the Secretary of State of the State of Tennessee and recorded in the Register's Office of Shelby County, Tennessee, be and hereby is adopted and that such Charter be spread upon and made a part of the Minutes of the Corporation.

The Chairman next noted that Stephen P. Hale had been designated in the Charter as the

Registered Agent for service of process upon the Corporation. Upon motion duly made and seconded, the Board of Directors unanimously:

RESOLVED, that the designation of Stephen P. Hale as Registered Agent for service of process upon the Corporation be and hereby is ratified.

The Chairman then produced a set of By-laws and suggested that the same be adopted by the Corporation. Upon motion duly made and seconded, the Board of Directors unanimously:

RESOLVED, that the By-laws, attached hereto as Exhibit B, be and hereby are adopted as the By-laws of the Corporation and are spread upon and made a part of the Minutes of the Corporation.

The Chairman then presented a form of stock certificate for the Corporation. Upon motion duly made and seconded, the Board of Directors unanimously:

RESOLVED, that the specimen form of stock certificate presented to this meeting shall be placed in the corporate minute book immediately following the Minutes of this meeting and that such stock certificate, attached hereto as Exhibit C, shall be and hereby is the form of stock certificate for the Corporation.

The chairman stated that the next order of business is the issuance of stock of the Corporation. Upon motion duly made and seconded, the Board of Directors unanimously:

RESOLVED, that the Corporation is hereby authorized to offer for sale and to sell and to issue up to one thousand (1,000) shares of the Corporation's common stock with \$.01 par value upon receipt of \$1.00 per share payable in cash or other property.

The Chairman next stated that there is now outstanding one offer of subscription by the person listed below subscribing to 1,000 shares of the \$.01 par value common stock of the

Corporation. The Chairman stated that Stephen P. Hale as Incorporator, had taken certain actions on behalf of the Corporation, all of which were familiar to the member of the Board of Directors. Upon motion duly made and seconded, it was unanimously:

RESOLVED, that the Board of Directors, acting for and on behalf of the Corporation and being familiar with all actions taken by Stephen P. Hale, the Incorporator, on behalf of the Corporation, hereby ratifies and confirms any and all actions taken by him as Incorporator on behalf of the Corporation.

The Chairman then announced that the organization of the Corporation was complete and that it would be appropriate for the Corporation to commence business. Upon motion duly made and seconded, the Director unanimously:

RESOLVED, that the organization of this Corporation be deemed complete

There being no further business, the meeting was, upon motion duly made and seconded, adjourned.

  
Michael Boger, Sr., Chairman and Secretary

K:STEPHEN:Daytona:Telephone:minutes of directors:mg:wpd



**DIVISION OF COMMUNICATIONS BUREAU OF SERVICE EVALUATION**

**DEPOSIT**

**DATE**

**APPLICATION FORM**

**D048**

**DEC 17 1998**

**for AUTHORITY TO PROVIDE  
INTEREXCHANGE TELECOMMUNICATIONS SERVICE  
WITHIN THE STATE OF FLORIDA**

**Instructions**

- ◆ This form is used as an application for an original certificate and for approval of assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).
- ◆ Print or Type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

**Florida Public Service Commission  
Division of Records and Reporting  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
(850) 413-6770**

**Note: No filing fee is required for an assignment or transfer of an existing certificate to another certificated company.**

- ◆ If you have questions about completing the form, contact:

**MACI Long Distance**

**P.O. BOX 34688  
MEMPHIS, TN 38184  
(901) 385-0600**



**01033**

Two hundred fifty & 00/00\*\*\*\*\*

**DATE**

**AMOUNT**

**12/16/98**

**250.00**

**PAY  
TO THE  
ORDER  
OF**

**Florida Public Service Commission**

**DOCUMENT NUMBER-DATE**

**14153 DEC 17 98**