

Smart City Solutions, LLC
P.O. Box 22555
Lake Buena Vista, Florida 32830-2555

November 13, 2001

Ms. Blanca S. Bayo
Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Application for Authority to Provide
Alternative Local Exchange Service
Within the State of Florida

Dear Ms. Bayo:

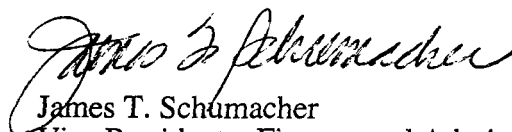
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Enclosed for filing are the original and six (6) copies of completed Florida Public Service Commission Form PSC/CMU 8 for Application for Authority to Provide Alternative Local Exchange Service Within the State of Florida and the associated Florida Price List No. 1 of Smart City Solutions, LLC. Also enclosed is a check for \$250.00 for the Application Fee.

Please acknowledge receipt and filing of the above by stamping the duplicate of this letter and returning the same to this writer.

Thank you for your assistance in this matter. Should you have any questions, please contact Lynn B. Hall of our office at (407) 828-6730.

Sincerely,



James T. Schumacher
Vice President – Finance and Administration

Enclosures

cc: Lynn B. Hall

DOCUMENT NUMBER-DATE
14341 NOV 13 01
CPSC-COMMISSION CLERK

APPLICATION

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

Original certificate (new company).

Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

Approval of assignment of existing certificate: Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

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:

Smart City Solutions, LLC

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

Smart City Solutions, LLC

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

**P.O. Box 22555
Lake Buena Vista, Florida 32830-2555**

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

**P.O. Box 22555
Lake Buena Vista, Florida 32830-2555**

Physical location (not mail deliverable address):

**3100 Bonnet Creek Road
Lake Buena Vista, Florida**

6. **Structure of organization:**

- | | |
|--|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input checked="" type="checkbox"/> Other – Florida Limited Liability Company | |

7. **If individual, provide: Not Applicable**

Name:

Title:

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

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

(a) **The Florida Secretary of State corporate registration number:**

Not Applicable

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

(a) The Florida Secretary of State corporate registration number:

Not applicable.

10. 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:

Not Applicable

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

Smart City Solutions, LLC is a Florida limited liability company and a copy of our proof of registration to operate in Florida is attached hereto.

(a) The Florida Secretary of State registration number: **L01000007558**

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

Name: **Not Applicable**

Title:

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

13. 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: **Not applicable**

14. Provide F.E.I. Number (if applicable): **22-3810189**

15. 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. Provide explanation.

No.

(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.

Yes.

Martin A. Rubin

**Smart City Telecommunications LLC d/b/a Smart City Telecom (ILEC) –
President
Smart City Networks, L.P. (ALEC) – CEO and Limited Partner**

James D. Pearson

**Smart City Telecommunications LLC d/b/a Smart City Telecom (ILEC) -
Vice President and Secretary
Smart City Networks, L.P. (ALEC) – General and Limited Partner**

Karen E. Linder

**Smart City Telecommunications LLC d/b/a Smart City Telecom (ILEC) –
CFO**

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: **Lynn B. Hall**

Title: **Director – Contracts and Tariffs**

Address: **P.O. Box 22555**

City/State/Zip: **Lake Buena Vista, Florida 32830-2555**

Telephone No.: **(407) 828-6730** Fax No.: **(407) 828-6734**

Internet E-Mail Address: **lbhall@smartcitytelecom.com**

Internet Website Address:

(b) Official point of contact for the ongoing operations of the company:

Name: **James T. Schumacher**

Title: **Vice President – Finance and Administration**

Address: **P.O. Box 22555**

City/State/Zip: **Lake Buena Vista, Florida 32830-2555**

Telephone No.: **(407) 828-6650** Fax No.: **(407) 828-6651**

Internet E-Mail Address: **jschumacher@smartcitytelecom.com**

Internet Website Address:

(c) Complaints/Inquiries from customers:

Name: **Lynn B. Hall**

Title: **Director – Contracts and Tariffs**

Address: **P.O. Box 22555**

City/State/Zip: **Lake Buena Vista, Florida 32830-2555**

Telephone No.: **(407) 828-6730** Fax No.: **(407) 828-6734**

Internet E-Mail Address: **lbhall@smartcitytelecom.com**

Internet Website Address:

17. List the states in which the applicant:

(a) has operated as an alternative local exchange company.

None.

(b) has applications pending to be certificated as an alternative local exchange company.

None.

(c) is certificated to operate as an alternative local exchange company.

None.

(d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

None.

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

None.

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

None.

18. Submit the following:

A. Managerial capability: give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

See Appendix A attached hereto.

B. 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.

See Appendix B attached hereto.

C. 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.

Smart City Solutions, LLC does not yet have audited financial statements. Therefore, we are supplying attached hereto as Appendix C the audited financial statements of CLEC Smart City Networks, L.P., our affiliated sister company.

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

Smart City Solutions, LLC is a wholly owned subsidiary of Smart City Holdings. Smart City Solutions LLC has sufficient financial capability to provide requested services in requested geographic areas, to maintain the requested service and to meet its lease or ownership obligations because the owners of Smart City Holdings have financial resources in excess of \$250 million. The owners of Smart City Holdings have agreed to invest a minimum of \$100,000 in Smart City Holdings which will be downstreamed to Smart City Solutions, LLC.

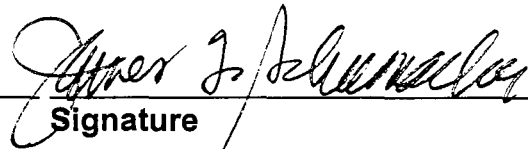
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APPLICANT ACKNOWLEDGMENT STATEMENT

- 1. REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
- 2. GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
- 3. SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
- 4. APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

James T. Schumcher
Print Name


Signature

Vice President - Finance
Title

11/1/01
Date

(407) 828-6650
Telephone No.

(407) 828-6651
Fax No.

Address: **Smart City Solutions, LLC**
P.O. Box 22555
Lake Buena Vista, Florida 32830-2555

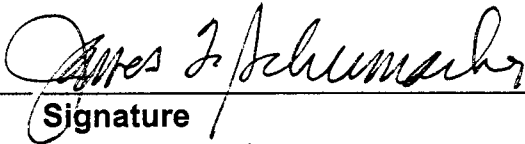
THIS PAGE MUST BE COMPLETED AND SIGNED

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:

<u>James T. Schumacher</u>	<u></u>
Print Name	Signature
<u>Vice President - Finance</u>	<u>11/1/01</u>
Title	Date
<u>(407) 828-6650</u>	<u>(407) 828-6651</u>
Telephone No.	Fax No.

**Address: Smart City Solutions, LLC
P.O. Box 22555
Lake Buena Vista, Florida 32830-2555**

INTRASTATE NETWORK (if available)

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.

See Appendix D attached hereto.

1. **POP:** Addresses where located, and indicate if owned or leased.

Leased (from sister company, ILEC, Smart City Telecom)

**3100 Bonnet Creek Road
Lake Buena Vista, Florida**

2. **SWITCHES:** Address where located, by type of switch, and indicate if owned or leased.

Leased (from sister company, ILEC, Smart City Telecom)

**3100 Bonnet Creek Road
Lake Buena Vista, Florida**

3. **TRANSMISSION FACILITIES:** POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

POP-to-POP

OWNERSHIP

Fiber

Owned

CERTIFICATE SALE, 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:

- () sale
- () transfer
- () assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

Print Name _____

Signature _____

Title _____

Date _____

Telephone No. _____

Fax No. _____

Address:

APPENDICES A AND B

MANAGERIAL AND TECHNICAL CAPABILITY

The overall Smart City affiliated team has extensive experience in the telecommunications and hospitality industries. The senior and middle management ranks are staffed by individuals whose backgrounds include positions at Smart City Telecommunications LLC d/b/a Smart City Telecom (certificated Florida ILEC), Smart City Networks, L.P. (certificated Florida and other state ALEC), long distance carriers, Internet Service Providers (ISPs), trade show decorators, hotels and convention centers.

Martin A. Rubin, President of Smart City Solutions, LLC, is a twenty-five year veteran of the telecommunications and technology industries. He is presently the CEO and Limited Partner of affiliated sister company and ALEC Smart City Networks, L.P., as well as President of affiliated sister company and ILEC Smart City Telecommunications LLC d/b/a Smart City Telecom. He is the former president of several companies including a publicly-traded satellite communications firm (AutoInfo), an Internet firewall security company (Raptor Systems) and a microwave transmission firm (DCT Communications now Advanced Radio Telecom). He was formerly the Vice President of Corporate Information Systems at Chemical Bank (now Chase Manhattan Bank). He holds a B.S. degree from The Wharton School of the University of Pennsylvania.

James D. Pearson, Vice President and Secretary of Smart City Solutions, LLC, is the President of US Cable, the nation's twenty-third largest cable television company, as well as Vice President and Secretary of affiliated sister company and ILEC Smart City Telecommunications LLC d/b/a Smart City Telecom. He is also currently a member of the Board of the National Cable Television Association. He holds a B.S. degree from Washington & Lee and a MBA from Indiana University.

Smart City Telecommunications LLC d/b/a Smart City Telecom (ILEC)

The management team of affiliated sister company and ILEC Smart City Telecommunications LLC d/b/a Smart City Telecom (formerly Vista-United Telecommunications), and their respective staffs, with whom Smart City Solutions, LLC will primarily be aligned, is mainly comprised of individuals previously employed by Vista-United Telecommunications. Most of these individuals have been in the telecommunications industry for fifteen years or longer, are highly experienced, and overall have an outstanding record of dedication to customer support and service. An abbreviated list of some of these upper management individuals include:

James T. Schumacher, Vice President of Finance and Administration of Smart City Solutions, LLC as well as of affiliated sister company and ILEC Smart City Telecommunications LLC d/b/a Smart City Telecom, has spent over twenty years in the telecommunications industry. Most recently he was the Manager – Regulatory and Business Affairs of Vista-United Telecommunications for ten years. He holds an MBA from Rollins College, Crummer Business School and a B.S. in Business Administration, Accounting Major from the University of Florida.

Robert P. Merrick, Vice President of Engineering and Operations of Smart City Solutions, LLC as well as of affiliated sister company and ILEC Smart City Telecommunications LLC d/b/a Smart City Telecom, has spent over twenty years in the telecommunications industry. Most recently he was Manager – Engineering and Regulated Operations of Vista-United Telecommunications for twelve years as well as Chief Engineer, Senior Engineer, and Staff Engineer for ten years. He has also served as the Supervisor of Instrumentation and Control with Florida Power and Light Company for eight years. Bob is a registered Florida Professional Engineer and has a B.A. of Science, Electrical Engineering from the University of Akron (Ohio).

Roy Thompson, Vice President of Business and Product Development of Smart City Solutions, LLC as well as of affiliated sister company and ILEC Smart City Telecommunications LLC d/b/a Smart City Telecom, has over seventeen years in the telecommunications and computer services field. Most recently he was the Director of Marketing for the Telecom Division of Perot Systems. He has also served as the Product Marketing Manager for Stratus Computers, Telecom Division, and Technical Director, Telecom, for Home Shopping Network.

APPENDICES A AND B
MANAGERIAL AND TECHNICAL CAPABILITY
(continued)

Smart City Networks, L.P. (ALEC)

Paul Ashley, President of affiliated sister company Smart City Networks, L.P., has spent the last fifteen years in the cable television and data services industry, most recently as a General Manager of AT&T Broadband Services. He held his current position at Smart City Networks, L.P. for the last eleven years. He has been involved in every aspect of operations.

Raymond LaBelle, Chief Operating Officer of affiliated sister company Smart City Networks, L.P., has a thirty year track record in the telephone industry, including various positions at Centel and WilTel Communications. He has held his current position at Smart City Networks, L.P. for the past eleven years. He has been involved in every aspect of operations.

William Suszko, Vice President of Finance of affiliated sister company Smart City Networks, L.P., is a twenty year veteran in the hospitality industry with senior level positions at Viad Corporation and Dobbs House. Most recently he was a Regional Director of Greyhound Exposition, the largest trade show decorating company. He holds a B.S. from the University and an MBA from Harvard University.

Ron Patterson, Vice President of Operations of affiliated sister company Smart City Networks, L.P., is a twenty-five year veteran of the telephone industry with Centel and WilTel. He has held his current position for the past four years. In his most recent position at WilTel, he was responsible for several of the most critical large-scale accounts in the country.

Scott Frost, Vice President of Sales and Marketing, has been with affiliated sister company Smart City Networks, L.P. for four years. He holds a BS from the University of Nevada.

Drew Sisler, Vice President of Business Development of affiliated sister company Smart City Networks, L.P., has an extensive background in new business development at a major accounting firm. He holds a B.A. from Hamilton College and an MBA from George Washington University.

APPENDIX C
FINANCIAL CAPABILITY



Smart City Networks Financials

ASSURANCE
BUSINESS SERVICES

CONSOLIDATED FINANCIAL STATEMENTS
Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)
December 31, 2000

 **ERNST & YOUNG**

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)

Consolidated Financial Statements

December 31, 2000

Contents

Report of Independent Auditors.....1
Consolidated Balance Sheets.....2
Consolidated Statements of Operations.....3
Consolidated Statements of Partners' Capital.....4
Consolidated Statements of Cash Flows.....5
Notes to Consolidated Financial Statements.....6



Ernst & Young LLP
Metro Park
P.O. Box 751
Iselin, New Jersey 08830-0471

Phone: (732) 516-4200
www.ey.com

Report of Independent Auditors

Partners
Smart City Networks, L.P.
(A Limited Partnership)

We have audited the accompanying consolidated balance sheets of Smart City Networks, L.P. and Subsidiaries (the "Partnership") as of December 31, 2000 and 1999 and the related consolidated statements of operations, partners' capital, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Partnership as of December 31, 2000 and 1999 and the consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

As discussed in Note 2 to the financial statements, effective January 1, 1999 the Partnership changed its method of accounting for business development costs.

Ernst & Young LLP

March 16, 2001

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)

Consolidated Balance Sheets

	December 31	
	2000	1999
Assets (Note 3)		
Current assets:		
Cash and cash equivalents	\$ 1,225,670	\$ 1,272,689
Accounts receivable, less allowance of \$137,000 in 2000 and \$90,000 in 1999	1,733,701	1,481,535
Prepaid expenses and other current assets	105,468	43,899
Total current assets	3,064,839	2,798,123
Property and equipment, net (Note 2)	2,863,282	2,532,078
Deferred costs and intangibles (Note 2):		
Cost of acquisition in excess of net assets acquired, less accumulated amortization of \$850,000 in 2000 and \$689,000 in 1999	1,565,793	1,726,780
Franchise development costs, less accumulated amortization \$720,000 in 2000 and \$345,000 in 1999	2,905,662	1,475,485
Loan origination costs, less accumulated amortization of \$33,000 in 2000 and \$2,000 in 1999	117,206	136,857
Deferred acquisition costs	1,982,635	-
Other assets	313,000	91,243
	\$12,812,417	\$ 8,760,566
Liabilities and partners' capital		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,529,859	\$ 1,626,876
Customer deposits	2,027,310	1,215,621
Due to affiliates (Note 4)	624,830	9,207
Total current liabilities	5,181,999	2,851,704
Long-term debt (Note 3)	6,800,000	5,105,000
Long-term obligation	261,000	-
Commitments (Note 5)		
Partners' capital	569,418	803,862
	\$12,812,417	\$ 8,760,566

See accompanying notes.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)

Consolidated Statements of Operations

	Year ended December 31	
	2000	1999
Net sales	\$22,856,860	\$16,034,492
Costs and expenses:		
Direct costs	9,904,164	6,588,150
Salaries and related items	4,815,538	4,086,656
Selling, general and administrative	5,995,196	3,549,012
Business development	236,000	152,289
Management fees (Note 4)	240,000	240,000
Other income	(72,163)	(8,400)
	21,118,735	14,607,707
Income before depreciation, amortization, interest expense and cumulative effect of change in accounting principle	1,738,125	1,426,785
Depreciation and amortization (Note 2)	1,441,490	1,311,060
Interest expense (Note 3)	531,079	317,556
Loss before cumulative effect of change in accounting principle	(234,444)	(201,831)
Cumulative effect to January 1, 1999 of change in accounting principle	-	(870,548)
Net loss	\$ (234,444)	\$(1,072,379)

See accompanying notes.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)

Consolidated Statements of Partners' Capital

	General Partner	Limited Partners	Limited Partners		Total Partners' Capital
			Class A	Class B	
Partners' capital at January 1, 1999	\$2,066,405	\$ -	\$ 382,809	\$ 53,860	\$ 2,503,074
Transfer of partnership interests	(251,168)	687,837	(382,809)	(53,860)	-
Net loss	(777,692)	(294,687)	-	-	(1,072,379)
Partners' contributions	160,490	-	-	-	160,490
Partners' distributions	(644,727)	(142,596)	-	-	(787,323)
Partners' capital at December 31, 1999	553,308	250,554	-	-	803,862
Net loss	(170,019)	(64,425)	-	-	(234,444)
Partners' capital at December 31, 2000	\$ 383,289	\$ 186,129	\$ -	\$ -	\$ 569,418

See accompanying notes.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)

Consolidated Statements of Cash Flows

	Year ended December 31	
	2000	1999
Operating activities		
Net loss	\$ (234,444)	\$(1,072,379)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Cumulative effect of change in accounting principle	-	870,548
Depreciation of property and equipment	875,421	811,457
Amortization and write-off of deferred costs and intangibles	566,069	508,395
Changes in operating assets and liabilities:		
Increase in accounts receivable	(252,166)	(136,975)
Increase in prepaid expenses and other assets	(61,569)	(226,190)
Increase (decrease) in accounts payable and accrued expenses	902,983	(239,786)
Increase (decrease) in amounts due to affiliates	615,623	(121,042)
Increase in customer deposits	811,689	35,871
Net cash provided by operating activities	<u>3,223,606</u>	<u>429,899</u>
Investing activities		
Purchase of property and equipment	(1,206,625)	(452,967)
Franchise development costs incurred	(916,016)	(685,062)
Acquisition of business	(536,000)	(368,805)
Purchase of investment	(313,000)	-
Deferred acquisition costs	(1,982,635)	-
Net cash used in investing activities	<u>(4,954,276)</u>	<u>(1,506,834)</u>
Financing activities		
Increase in loan origination costs	(11,349)	(139,177)
Payments on term loan	(1,505,000)	(3,500,000)
Proceeds from revolving credit	3,200,000	5,105,000
Contributions from partners	-	160,490
Distributions to partners	-	(787,323)
Net cash provided by financing activities	<u>1,683,651</u>	<u>838,990</u>
Decrease in cash and cash equivalents	(47,019)	(237,945)
Cash and cash equivalents at beginning of year	1,272,689	1,510,634
Cash and cash equivalents at end of year	<u>\$ 1,225,670</u>	<u>\$ 1,272,689</u>

See accompanying notes.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)

Notes to Consolidated Financial Statements

December 31, 2000

1. Organization

Smart City Networks, L.P. (the "Partnership") is a limited partnership organized in 1994 under the laws of the State of Florida for the purpose of providing telecommunications services to convention centers.

The Partnership has obtained contracts to provide telecommunications services to the following convention centers - Anaheim (California), Los Angeles (California), George R. Brown (Texas), Astrodome (Texas), Charlotte (North Carolina), Dallas (Texas), Ontario (California), Las Vegas (Nevada), Henry B. Gonzalez (Texas) and San Diego (California), substantially all of which have renewal options, the earliest of which expires in 2001.

The Company requires collateral in the form of cash deposits from all convention exhibition customers. No single customer accounted for more than 10% of revenues in 2000 and 1999.

On April 25, 1995, Smart City Electric (formerly US Utilities of Texas, Inc.), a wholly-owned subsidiary, was formed for the purpose of providing electrical contracting services at the George R. Brown and Charlotte convention centers.

During 2000, the Partnership acquired all of the assets of PCC Services, Inc. ("PCC") for approximately \$418,000. PCC provides pay telephone services within the Las Vegas convention center. The acquisition was accounted for using the purchase method of accounting and the results of operations have been included in the consolidated financial statements of the Partnership since the date of acquisition.

On February 11, 1999, the Partnership, through a newly formed wholly-owned subsidiary, acquired all of the assets of Expotel Corporation ("Expotel") for \$320,000 which included the assumption of liabilities of \$240,000. Expotel provides telecommunications services to convention centers and hotels primarily in San Diego (California) and Santa Clara (California). The acquisition was accounted for using the purchase method of accounting and the results of operations of Expotel have been included in the consolidated financial statements of the Partnership since the date of acquisition.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)

Notes to Consolidated Financial Statements (continued)

1. Organization (continued)

On January 1, 1999, the partnership agreement was amended and restated to eliminate the distinction between Class A and Class B Limited Partners and revise the interests among the partners as follows:

<u>General Partner</u>	<u>Limited Partners</u>
US Convention Corporation 72.5203%	Convention Communications Corp. 21.2975%
	James D. Pearson 4.2797
	Raymond LaBelle 1.9025

2. Significant Accounting Policies

Management's Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Consolidation

The consolidated financial statements include the accounts of the Partnership and all wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Cash Equivalents

Cash equivalents represent short-term investments which mature within ninety days from date of investment. The carrying value of cash equivalents approximates fair value.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

Business Development Costs

Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities" ("SOP 98-5"), requires business development costs to be expensed as incurred. The Partnership adopted the provisions of SOP 98-5 in its financial statements for the year ended December 31, 1999. The effect of the adoption of SOP 98-5 was to increase 1999 net loss from continuing operations by \$80,000 and to record a charge for the cumulative effect to January 1, 1999 of \$871,000 for costs that had been previously capitalized.

Property and Equipment

Property and equipment consists of the following:

	December 31	
	2000	1999
Telephone switching equipment	\$3,395,655	\$2,855,037
Furniture, telephone and computer equipment	1,853,926	1,236,846
Electrical service equipment	494,788	455,264
Leasehold improvements	147,065	137,662
	5,891,434	4,684,809
Less accumulated depreciation	3,028,152	2,152,731
	\$2,863,282	\$2,532,078

Property and equipment are stated at cost. Telephone switching equipment is depreciated using various methods over its estimated useful life of 5 years. All other property and equipment is depreciated using the straight-line method over their estimated useful lives of 5 years.

Deferred Costs and Intangibles

Deferred costs and intangibles are amortized on the straight-line method generally as follows:

Assets	Period of Amortization
Cost of acquisition in excess of net assets acquired	15 years
Franchise development costs	Remaining term of the contract
Loan origination costs	Remaining term of the loan

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

Additions to franchise development costs included approximately \$459,000 related to the Dallas Convention Center contract, \$494,000 related to the San Diego Convention Center Corporation contract in 2000, and \$536,000 related to the 2000 PCC acquisition and \$600,000 related to the Anaheim Convention Center contract in 1999. In addition, \$663,000 included in franchise development costs at December 31, 1998 were written off in 1999 in accordance with SOP 98-5. Included in cost of acquisition in excess of net assets acquired is \$370,000 related to the 1999 Exotel acquisition.

Revenue Recognition

The Partnership recognizes revenue from services and the related direct costs in the period in which the services are rendered.

Income Taxes

Income taxes are not provided because the income or loss of the Partnership is reported on the tax returns of the Partners.

Profit and Loss Distributions

Profit and loss distributions are made under the terms of the Partnership agreement and are generally allocated to the Partners in accordance with their respective Partnership interests (see Note 1).

3. Long-Term Debt

The Partnership entered into a credit agreement with a bank on December 15, 1999 which, as amended on March 1, 2001, provides for a \$9,000,000 revolving credit facility. The initial proceeds of the loan of approximately \$4,705,000 were used to repay the Partnership's existing loan. The Partnership may borrow up to the amount of the total commitment which automatically decreases by \$500,000 on March 31, 2003 and September 30, 2003, \$750,000 on March 31, 2004 and September 30, 2004 and \$1,000,000 on March 31, 2005 and September 30, 2005, with the remaining outstanding balance due March 31, 2006. In addition the Partnership may be required to make an annual payment based on the previous year's excess cash flow, as defined, for each fiscal year commencing January 1, 2002.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)

Notes to Consolidated Financial Statements (continued)

3. Long-Term Debt (continued)

The outstanding balance of the loan bears interest, payable at the termination of each LIBOR contract, based on an interest rate option selected by the Partnership, to be adjusted based on the results of a certain financial ratio. The interest rates in effect at December 31, 2000 and 1999 were 9.36% and 8.08%, respectively. The Partnership is required to pay a commitment fee of between 0.375% and 0.50% on the unused portion of the revolving credit facility. The terms of the agreement include, in addition to other requirements, that the Partnership maintain compliance with certain financial ratios and limit additional borrowings and distributions to Partners.

The loan is collateralized by all of the assets of the Partnership and the assignment of all Partnership interests.

The carrying value of the loan approximates fair value.

As of December 31, 2000, maturities of long-term debt, as amended, are as follows:

2001	\$	-
2002		-
2003		-
2004		300,000
2005		2,000,000
2006		4,500,000

Interest paid during 2000 and 1999 totaled \$488,000 and \$310,000, respectively.

4. Related Parties

US Cable Corporation, an affiliate of the General Partner, has advanced funds for certain organizational and loan origination costs and also advances the payroll for the Managing Director of the Partnership.

US Cable Corporation has also been engaged to manage the operations of the Partnership for a monthly fee of \$20,000 for both 2000 and 1999.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)

Notes to Consolidated Financial Statements (continued)

5. Commitments

The Partnership leases office space under a noncancelable operating lease with an initial term expiring in 2002 and a renewal option for an additional two year period. The lease contains an annual minimum escalation of 3%. The Partnership records rent expense on a straight-line basis over the term of the lease. Future minimum rental commitments under the lease are as follows:

2001	\$213,000
2002	216,000
2003	90,000
2004	-
2005 and thereafter	-

Rent expense for all operating leases was \$351,000 and \$247,000 for 2000 and 1999, respectively.

Under the terms of an agreement with the Las Vegas Convention and Visitors Authority, the Partnership is required to invest not less than \$1.3 million for telecommunication equipment in the Las Vegas Convention Center.

6. Employee Benefit Plan

The Partnership has a defined contribution plan that qualifies as a deferred salary arrangement under Section 401(a) of the Internal Revenue Code. All employees meeting minimum age or service requirements are eligible to participate and may contribute before-tax dollars ranging from 1% to 15% of gross pay. The Partnership matches 100% of each employee's first 6% of wages contributed. Total Partnership contributions for 2000 and 1999 were \$153,000 and \$82,000, respectively, and are included in salaries and related items.

7. Subsequent Events

On March 1, 2001, Smart City Holdings, LLC ("Smart City Holdings"), a then wholly-owned subsidiary of the Partnership, entered into an amended and restated operating agreement whereby the partners of the Partnership contributed all of their interests in the Partnership to two wholly-owned subsidiaries of Smart City Holdings, in exchange for membership units in Smart City Holdings. As a result, the Partnership became an indirect wholly-owned subsidiary of Smart City Holdings.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)

Notes to Consolidated Financial Statements (continued)

7. Subsequent Events (continued)

Also, on March 1, 2001 Smart City Telecommunications LLC, a newly formed wholly-owned subsidiary of Smart City Holdings, acquired the assets of the telephone business of Vista-United Telecommunications for a price of approximately \$71 million. In connection with this acquisition, the Partnership paid acquisition related costs of \$1.9 million on behalf of Smart City Holdings during 2000, which is included in deferred acquisition costs at December 31, 2000.

Consolidated Financial Statements
and Other Financial Information

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)
(formerly Facilities Communications International, Ltd.)

December 31, 1999

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)
(formerly Facilities Communications International, Ltd.)

Consolidated Financial Statements
and Other Financial Information

December 31, 1999

Contents

Report of Independent Auditors.....	1
Consolidated Financial Statements	
Consolidated Balance Sheets	2
Consolidated Statements of Operations	3
Consolidated Statements of Partners' Capital.....	4
Consolidated Statements of Cash Flows.....	5
Notes to Consolidated Financial Statements.....	6
Other Financial Information	
Report of Independent Auditors on Other Financial Information.....	12
Schedule of George R. Brown Electrical Service Revenue	13

Report of Independent Auditors

Partners

Smart City Networks, L.P.
(A Limited Partnership)

We have audited the accompanying consolidated balance sheets of Smart City Networks, L.P. and subsidiaries (formerly "Facilities Communications International, Ltd.") as of December 31, 1999 and 1998 and the related consolidated statements of operations, partners' capital, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Smart City Networks, L.P. and subsidiaries as of December 31, 1999 and 1998 and the consolidated results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 2 to the financial statements, effective January 1, 1999, the Partnership changed its method of accounting for business development costs.

Ernst & Young LLP

March 22, 2000

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)
(formerly Facilities Communications International, Ltd.)

Consolidated Balance Sheets

	December 31	
	1999	1998
Assets (Note 3)		
Current assets:		
Cash and cash equivalents	\$ 1,272,689	\$1,510,634
Accounts receivable, less allowance of \$90,000 in 1999 and \$120,000 in 1998	1,481,535	1,344,560
Prepaid expenses and other current assets	43,899	276,975
Total current assets	2,798,123	3,132,169
Property and equipment, net (Note 2)	2,532,078	3,043,275
Deferred costs and intangibles (Note 2):		
Cost of acquisition in excess of net assets acquired, less accumulated amortization of \$689,000 in 1999 and \$540,000 in 1998	1,726,780	1,506,766
Franchise development costs, less accumulated amortization \$345,000 in 1999 and \$167,000 in 1998	1,475,485	1,536,107
Organization costs, less accumulated amortization of \$62,000 in 1998		18,086
Loan origination costs, less accumulated amortization of \$2,000 in 1999 and \$40,000 in 1998	136,857	96,040
Other deferred costs	91,243	
	\$ 8,760,566	\$9,332,443
Liabilities and partners' capital		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,626,876	\$2,019,370
Customer deposits	1,215,621	1,179,750
Due to affiliates (Note 4)	9,207	130,249
Total current liabilities	2,851,704	3,329,369
Long-term debt (Note 3)	5,105,000	3,500,000
Partners' capital	803,862	2,503,074
	\$ 8,760,566	\$9,332,443

See accompanying notes.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)
(formerly Facilities Communications International, Ltd.)

Consolidated Statements of Operations

	Year ended December 31	
	1999	1998
Net sales	\$16,034,492	\$10,882,630
Costs and expenses:		
Direct costs	6,588,150	4,245,473
Salaries and related items	4,086,656	2,885,831
Selling, general and administrative	3,549,012	2,449,916
Business development	152,289	245,810
Management fees <i>(Note 4)</i>	240,000	240,000
Other income	(8,400)	(21,084)
	14,607,707	10,045,946
Income before depreciation, amortization, interest expense and cumulative effect of change in accounting principle	1,426,785	836,684
Depreciation and amortization <i>(Note 2)</i>	1,311,060	944,870
Interest expense <i>(Note 3)</i>	317,556	193,947
Loss before cumulative effect of change in accounting principle	(201,831)	(302,133)
Cumulative effect to January 1, 1999 of change in accounting principle	(870,548)	
Net loss	\$(1,072,379)	\$ (302,133)
Pro forma amounts assuming the change in accounting principle is applied retroactively to January 1, 1998 (unaudited):		
Income before depreciation, amortization and interest expense	\$1,426,785	\$ 140,727
Net loss	\$ (201,831)	\$ (924,097)

See accompanying notes.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)
(formerly Facilities Communications International, Ltd.)

Consolidated Statements of Partners' Capital

	General Partner	Limited Partners	Limited Partners		Total Partners' Capital
			Class A	Class B	
Partners' capital at January 1, 1998	\$1,627,165	\$ -	\$ 300,453	\$124,314	\$ 2,051,932
Net loss	(210,338)		(39,438)	(52,357)	(302,133)
Partners' contributions	842,108		157,892	25,000	1,025,000
Partners' distributions	(192,530)		(36,098)	(43,097)	(271,725)
Partners' capital at December 31, 1998	2,066,405	-	382,809	53,860	2,503,074
Transfer of partnership interests	(251,168)	687,837	(382,809)	(53,860)	-
Net loss	(777,692)	(294,687)			(1,072,379)
Partners' contributions	160,490				160,490
Partners' distributions	(644,727)	(142,596)			(787,323)
Partners' capital at December 31, 1999	<u>\$ 553,308</u>	<u>\$ 250,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 803,862</u>

See accompanying notes.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)
(formerly Facilities Communications International, Ltd.)

Consolidated Statements of Cash Flows

	Year ended December 31	
	1999	1998
Operating activities		
Net loss	\$(1,072,379)	\$ (302,133)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Cumulative effect of change in accounting principle	870,548	
Depreciation of property and equipment	811,457	598,789
Amortization and write-off of deferred costs	508,395	346,081
Provision for losses on receivables	11,015	100,000
Changes in operating assets and liabilities:		
Increase in accounts receivable	(147,990)	(866,409)
Increase in prepaid expenses and other assets	(226,190)	(20,061)
(Decrease) increase in due from/to affiliates	(121,042)	337,339
(Decrease) increase in accounts payable and accrued expenses	(239,786)	1,250,023
Increase in customer deposits	35,871	775,333
Net cash provided by operating activities	429,899	2,218,962
Investing activities		
Purchase of property and equipment	(452,967)	(2,781,204)
Decrease in advances to partners		1,771,725
Increase in deferred costs	(685,062)	(1,705,390)
Acquisition of business	(368,805)	
Net cash used in investing activities	(1,506,834)	(2,714,869)
Financing activities		
Increase in deferred financing costs	(139,177)	(5,682)
Payments on term loan	(3,500,000)	
Proceeds from revolving credit	5,105,000	741,349
Contributions from partners	160,490	1,025,000
Distributions to partners	(787,323)	(271,725)
Net cash provided by financing activities	838,990	1,488,942
(Decrease) increase in cash and cash equivalents	(237,945)	993,035
Cash and cash equivalents at beginning of year	1,510,634	517,599
Cash and cash equivalents at end of year	\$1,272,689	\$1,510,634

See accompanying notes.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)
(formerly Facilities Communications International, Ltd.)

Notes to Consolidated Financial Statements

December 31, 1999

1. Organization

Smart City Networks, L.P. (formerly Facilities Communications International, Ltd.) (the "Partnership") is a limited partnership organized in 1994 under the laws of the State of Florida for the purpose of providing telecommunications services to convention centers.

The Partnership has obtained contracts to provide telecommunications services to the following convention centers - Anaheim (California), Los Angeles (California), George R. Brown (Texas), Astrodome (Texas), Charlotte (North Carolina), Dallas (Texas), Ontario (California), Las Vegas (Nevada) and Henry B. Gonzalez (Texas), substantially all of which have renewal options, the earliest of which expires in 2000.

The Company requires collateral in the form of cash deposits from all convention exhibition customers. No single customer accounted for more than 10% of revenues in 1999 and 1998.

On April 25, 1995, Smart City Electric (formerly US Utilities of Texas, Inc.), a wholly-owned subsidiary, was formed for the purpose of providing electrical contracting services at the George R. Brown and Charlotte convention centers.

On February 11, 1999, the Partnership, through a newly formed wholly-owned subsidiary, acquired all of the assets of Expotel Corporation for \$320,000 which included the assumption of liabilities of \$240,000. Expotel Corporation provides telecommunications services to convention centers and hotels primarily in San Diego (California) and Santa Clara (California). The acquisition was accounted for using the purchase method of accounting and the results of operations have been included in the consolidated financial statements of the Partnership since the date of acquisition.

On January 1, 1999, the Partnership Agreement was amended and restated to eliminate the distinction between Class A and Class B Limited Partners and revise the interests among the Partners as follows:

<u>General Partner</u>	<u>Limited Partners</u>
US Convention Corporation 72.5203%	Convention Communications Corp. 21.2975%
	James D. Pearson 4.2797
	Raymond LaBelle 1.9025

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)
(formerly Facilities Communications International, Ltd.)

Notes to Consolidated Financial Statements (continued)

1. Organization (continued)

Prior to December 31, 1998, the Partnership interests were as follows:

General Partner	Class A Limited Partners	Class B Limited Partners
US Convention Corporation	Convention Communications Corporation James D. Pearson	Convention Communications Corporation Raymond LaBelle James D. Pearson
70.1461%	10.9603% 2.1920%	12.5261% 2.0878% 2.0877%

Class A and Class B Limited Partners carried identical rights and obligations except that Class B Limited Partners were not subject to capital calls.

2. Significant Accounting Policies

Management's Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Consolidation

The consolidated financial statements include the accounts of the Partnership and all wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Cash Equivalents

Cash equivalents represent short-term investments which mature within ninety days from date of investment. The carrying value of cash equivalents approximates fair value.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)
(formerly Facilities Communications International, Ltd.)

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

Property and Equipment

Property and equipment consists of the following:

	December 31	
	1999	1998
Telephone switching equipment	\$2,855,037	\$2,675,865
Furniture, telephone and computer equipment	1,236,846	1,187,899
Electrical service equipment	455,264	443,323
Leasehold improvements	137,662	77,463
	<u>4,684,809</u>	<u>4,384,550</u>
Allowance for depreciation	2,152,731	1,341,275
	<u>\$2,532,078</u>	<u>\$3,043,275</u>

Property and equipment are stated at cost. Telephone switching equipment is depreciated using various methods over its estimated useful life of 5 years. All other property and equipment is depreciated using the straight-line method over their estimated useful lives of 5 years.

Deferred Costs and Intangibles

Deferred costs and intangibles are amortized on the straight-line method generally as follows:

Assets	Period of Amortization
Cost of acquisition in excess of net assets acquired	15 years
Loan origination costs	Remaining term of the loan
Franchise development costs	Remaining term of the contract

Additions to franchise development costs included approximately \$600,000 related to the Anaheim Convention Center contract in 1999 and \$1 million related to the Las Vegas Convention Center contract and \$100,000 related to the San Antonio Convention Center contract in 1998. In addition, \$663,000 included in franchise development costs at December 31, 1998 were written off in 1999 in accordance with SOP 98-5 (see below). Included in cost of acquisition in excess of net assets acquired is \$370,000 related to the 1999 Expotel acquisition.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)
(formerly Facilities Communications International, Ltd.)

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

Revenue Recognition

The Partnership recognizes revenue from services and the related direct costs in the period in which the services are rendered.

Business Development

In April 1998, the American Institute of Certified Public Accountants' Accounting Standards Executive Committee issued Statement of Position 98-5 "Reporting on the Costs of Start-Up Activities" ("SOP 98-5"), requiring business development costs to be expensed as incurred. Prior to 1999, business development costs were capitalized upon successful development and amortized over the term of the convention center contract or written-off at the time it was determined that such projects would be abandoned. The Partnership adopted the provisions of SOP 98-5 in its financial statements for the year ended December 31, 1999. The effect of adoption of SOP 98-5 was to increase net loss from continuing operations by \$80,000 and to record a charge for the cumulative effect to January 1, 1999 of \$871,000 for costs that had been previously capitalized. Such costs were included in franchise development costs and prepaid expenses and other current assets at December 31, 1998.

Income Taxes

Income taxes are not provided because the income or loss of the Partnership is reported on the tax returns of the Partners.

Profit and Loss Distributions

Profit and loss distributions are made under the terms of the Partnership agreement and are generally allocated to the Partners in accordance with their respective Partnership interests (see Note 1).

3. Long-Term Debt

The Partnership entered into a credit agreement with a bank on December 15, 1999 which provides for a \$9 million revolving credit facility. The initial proceeds of the loan of approximately \$4,705,000 were used to repay the Partnership's existing loan. The Partnership may borrow up to the amount of the total commitment which automatically

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)
(formerly Facilities Communications International, Ltd.)

Notes to Consolidated Financial Statements (continued)

3. Long-Term Debt (continued)

decreases by \$500,000 on March 31, 2002 and September 30, 2002, \$750,000 on March 31, 2003 and September 30, 2003 and \$1,000,000 on March 31, 2004 and September 30, 2004, with the remaining outstanding balance due March 31, 2005. In addition the Partnership may be required to make an annual payment based on the previous year's excess cash flow, as defined, for each fiscal year commencing January 1, 2002.

The outstanding balance of the loan bears interest, payable quarterly, based on an interest rate option selected by the Partnership, to be adjusted based on the results of a certain financial ratio. The interest rates in effect at December 31, 1999 and 1998 were 8.08% and 6.50%, respectively. The Partnership is required to pay a commitment fee of between 0.375% and 0.50% on the unused portion of the revolving credit facility. The terms of the agreement include, in addition to other requirements, that the Partnership maintain compliance with certain financial ratios and limit additional borrowings and distributions to Partners.

The loan is collateralized by all of the assets of the Partnership and the assignment of all Partnership interests.

The carrying value of the loan approximates fair value.

As of December 31, 1999, maturities of long-term debt are as follows:

2004	\$ 605,000
2005	4,500,000

Interest paid during 1999 and 1998 totaled \$310,000 and \$175,000, respectively.

4. Related Parties

US Cable Corporation, an affiliate of the General Partner, has advanced funds for certain organizational and loan origination costs and also advances the payroll for the Managing Director of the Partnership.

US Cable Corporation has also been engaged to manage the operations of the Partnership for a monthly fee of \$20,000 for both 1999 and 1998. Unpaid management fees of approximately \$80,000 are included in due to affiliates at December 31, 1998.

Smart City Networks, L.P. and Subsidiaries
(A Limited Partnership)
(formerly Facilities Communications International, Ltd.)

Notes to Consolidated Financial Statements (continued)

5. Commitments

The Partnership leases office space under a noncancelable operating lease with an initial five year term and a renewal option for an additional two year period. The lease contains an annual minimum escalation of 3%. The Partnership records rent expense on a straight-line basis over the term of the lease. Future minimum rental commitments on this five year lease are as follows:

2000	\$204,000
2001	204,000
2002	207,000
2003	87,000
2004	-

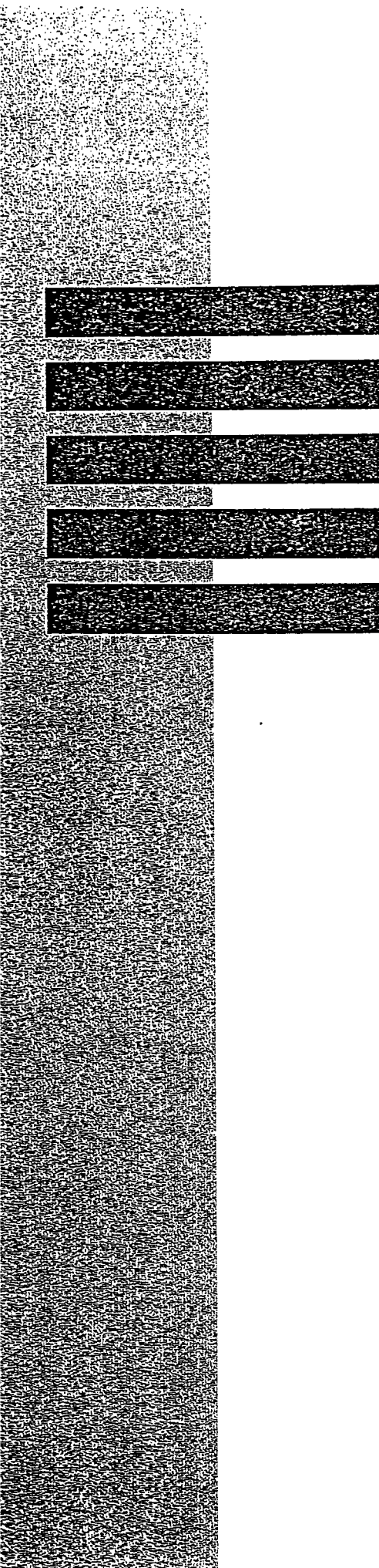
Rent expense for all operating leases was \$247,000 and \$77,000 for 1999 and 1998, respectively.

6. Employee Benefit Plan

The Partnership has a defined contribution plan that qualifies as a deferred salary arrangement under Section 401(a) of the Internal Revenue Code. All employees meeting minimum age or service requirements are eligible to participate and may contribute before-tax dollars ranging from 1% to 15% of gross pay. The Partnership matches 100% of each employee's first 6% of wages contributed. Total Partnership contributions for 1999 and 1998 were \$82,000 and \$40,000, respectively, and are included in salaries and related items.

7. Impact of Year 2000 (Unaudited)

The Partnership completed all Year 2000 readiness procedures during 1999 and has experienced no significant problems. Costs related to the Year 2000 project were not significant and the Partnership does not believe there is continued material exposure related to the Year 2000 problem. The Partnership will continue to monitor its mission critical computer applications and those of its suppliers and vendors throughout the Year 2000 to ensure that any latent Year 2000 matters that may arise are addressed properly.



Consolidated Financial Statements
and Other Financial Information

Facilities Communications International, Ltd.
and Subsidiaries (A Limited Partnership)

December 31, 1998

Facilities Communications International, Ltd.
and Subsidiaries (A Limited Partnership)

Consolidated Financial Statements
and Other Financial Information

December 31, 1998

Contents

Report of Independent Auditors	1
Consolidated Financial Statements	
Consolidated Balance Sheets	2
Consolidated Statements of Operations	3
Consolidated Statements of Partners' Capital	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6
Other Financial Information	
Report of Independent Auditors on Other Financial Information	13
Schedule of George R. Brown Electrical Service Revenue	14

Report of Independent Auditors

Partners

Facilities Communications International, Ltd.
(A Limited Partnership)

We have audited the accompanying consolidated balance sheets of Facilities Communications International, Ltd. and subsidiaries as of December 31, 1998 and 1997 and the related consolidated statements of operations, partners' capital, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Facilities Communications International, Ltd. and subsidiaries as of December 31, 1998 and 1997 and the consolidated results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

Ernst & Young LLP

April 16, 1999

Facilities Communications International, Ltd.
and Subsidiaries (A Limited Partnership)

Consolidated Balance Sheets

	December 31	
	1998	1997
Assets (Note 3)		
Current assets:		
Cash and cash equivalents	\$1,510,634	\$ 517,599
Accounts receivable, less allowance of \$120,000 in 1998 and \$20,000 in 1997	1,344,560	578,151
Prepaid expenses and other current assets	276,975	256,914
Advances to partners (Note 4)		1,771,725
Due from affiliates (Note 4)		443,505
Total current assets	3,132,169	3,567,894
Property and equipment, net (Note 2)	3,043,275	860,860
Deferred costs and intangibles (Note 2):		
Cost of acquisition in excess of net assets acquired, less accumulated amortization of \$540,000 in 1998 and \$404,000 in 1997	1,506,766	1,643,215
Franchise development costs, less accumulated amortization of \$167,000	1,536,107	
Organization costs, less accumulated amortization of \$62,000 in 1998 and \$47,000 in 1997	18,086	31,128
Loan origination costs, less accumulated amortization of \$40,000 in 1998 and \$13,000 in 1997	96,040	117,665
	\$9,332,443	\$6,220,762
Liabilities and partners' capital		
Current liabilities:		
Accounts payable and accrued expenses	\$2,019,370	\$ 769,347
Customer deposits	1,179,750	404,417
Due to affiliates (Note 4)	130,249	236,415
Total current liabilities	3,329,369	1,410,179
Long-term debt (Note 3)	3,500,000	2,758,651
Partners' capital	2,503,074	2,051,932
	\$9,332,443	\$6,220,762

See accompanying notes.

Facilities Communications International, Ltd.
and Subsidiaries (A Limited Partnership)

Consolidated Statements of Operations

	Year ended December 31	
	1998	1997
Net sales	\$10,882,630	\$6,643,607
Costs and expenses:		
Direct costs	4,245,473	2,394,533
Salaries and related items	2,885,831	1,674,498
Selling, general and administrative	2,449,916	970,147
Business development	245,810	278,190
Management fees (<i>Note 4</i>)	240,000	120,000
Other income	(21,084)	(57,728)
	<u>10,045,946</u>	<u>5,379,640</u>
Income before depreciation and amortization and interest expense	836,684	1,263,967
Depreciation and amortization (<i>Note 2</i>)	944,870	457,221
Interest expense (<i>Note 3</i>)	193,947	110,243
Net (loss) income	<u>\$ (302,133)</u>	<u>\$ 696,503</u>

See accompanying notes.

Facilities Communications International, Ltd.
and Subsidiaries (A Limited Partnership)

Consolidated Statements of Partners' Capital

	General Partner	Limited Partners		Total Partners' Capital
		Class A	Class B	
Partners' capital at January 1, 1997	\$1,547,574	\$297,197	\$ 193,044	\$2,037,815
Net income	488,112	91,518	116,873	696,503
Partners' distributions	(408,521)	(88,262)	(110,603)	(607,386)
Acquisition of limited partner interest			(75,000)	(75,000)
Partners' capital at December 31, 1997	1,627,165	300,453	124,314	2,051,932
Net loss	(210,338)	(39,438)	(52,357)	(302,133)
Partners' contributions	842,108	157,892	25,000	1,025,000
Partners' distributions	(192,530)	(36,098)	(43,097)	(271,725)
Partners' capital at December 31, 1998	<u>\$2,066,405</u>	<u>\$382,809</u>	<u>\$ 53,860</u>	<u>\$2,503,074</u>

See accompanying notes.

Facilities Communications International, Ltd.
and Subsidiaries (A Limited Partnership)

Consolidated Statements of Cash Flows

	Year ended December 31	
	1998	1997
Operating activities		
Net (loss) income	\$ (302,133)	\$ 696,503
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Net loss on disposition of fixed assets		14,000
Depreciation of property and equipment	598,789	234,854
Amortization and write-off of deferred costs	346,081	222,367
Provision for losses on receivables	100,000	
Changes in operating assets and liabilities:		
Increase in accounts receivable	(866,409)	(159,130)
Increase in prepaid expenses and other assets	(20,061)	(196,319)
Decrease in due from/to affiliates	337,339	178,847
Increase in accounts payable and accrued expenses	1,250,023	85,639
Increase in customer deposits	775,333	171,375
Net cash provided by operating activities	2,218,962	1,248,136
Investing activities		
Purchase of property and equipment	(2,781,204)	(465,263)
Decrease (increase) in advances to partners	1,771,725	(1,771,725)
Increase in deferred costs	(1,705,390)	
Net cash used in investing activities	(2,714,869)	(2,236,988)
Financing activities		
Increase in deferred costs	(5,682)	(130,739)
Payments on term loan		(1,564,524)
Proceeds from revolving credit	741,349	2,758,651
Contributions from partners	1,025,000	
Distributions to partners	(271,725)	(607,386)
Acquisition of limited partner interest		(75,000)
Net cash provided by financing activities	1,488,942	381,002
Increase (decrease) in cash and cash equivalents	993,035	(607,850)
Cash and cash equivalents at beginning of year	517,599	1,125,449
Cash and cash equivalents at end of year	\$1,510,634	\$ 517,599

See accompanying notes.

Facilities Communications International, Ltd.
and Subsidiaries (A Limited Partnership)

Notes to Consolidated Financial Statements

December 31, 1998

1. Organization

Facilities Communications International, Ltd. (the Partnership) is a limited partnership organized in 1994 under the laws of the State of Florida for the purpose of providing telecommunications services to convention centers.

The Partnership has obtained contracts to provide telecommunications services to the following convention centers - Anaheim (California), Los Angeles (California), George R. Brown (Texas), Astrodome (Texas), Charlotte (North Carolina), Dallas (Texas), Ontario (California) and Las Vegas (Nevada), substantially all of which have renewal options, the earliest of which expires in 1999.

The Company requires collateral in the form of cash deposits from all convention exhibition customers. No single customer accounted for more than 10% of revenues in 1998 and 1997.

On April 25, 1995, US Utilities of Texas, Inc. (US Utilities), a wholly-owned subsidiary, was formed for the purpose of providing electrical contracting services at the George R. Brown and Charlotte convention centers.

Under the terms of the Partnership agreement, as amended, the Partnership interests subsequent to April 1, 1998 are as follows:

General Partner	Class A Limited Partners	Class B Limited Partners
US Convention Corporation	Convention Communications Corporation 70.1461% James D. Pearson 2.1920%	Convention Communications Corporation 12.5261% Raymond LaBelle 2.0878% James D. Pearson 2.0877%

Class A and Class B Limited Partners carry identical rights and obligations except that Class B Limited Partners are not subject to capital calls (see Note 7).

Facilities Communications International, Ltd.
and Subsidiaries (A Limited Partnership)

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies

Management's Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Consolidation

The consolidated financial statements include the accounts of the Partnership and all wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Cash Equivalents

Cash equivalents represent short-term investments which mature within ninety days from date of investment. The carrying value of cash equivalents approximates fair value.

Property and Equipment

Property and equipment consists of the following:

	December 31	
	1998	1997
Telephone switching equipment	\$2,675,865	\$ 897,553
Furniture, telephone and computer equipment	1,187,899	368,081
Electrical service equipment	443,323	337,713
Leasehold improvements	77,463	
	<u>4,384,550</u>	<u>1,603,347</u>
Allowance for depreciation	1,341,275	742,487
	<u>\$3,043,275</u>	<u>\$ 860,860</u>

Facilities Communications International, Ltd.
and Subsidiaries (A Limited Partnership)

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

Property and equipment are stated at cost. Telephone switching equipment is depreciated using various methods over its estimated useful life of 5 years. All other property and equipment is depreciated using the straight-line method over their estimated useful lives of 5 years.

Deferred Costs and Intangibles

Deferred costs and intangibles are amortized on the straight-line method generally as follows:

<u>Assets</u>	<u>Period of Amortization</u>
Cost of acquisition in excess of net assets acquired	15 years
Loan origination costs	Remaining term of the loan
Organization costs	5 years
Franchise development costs	Remaining term of the contract

Included in franchise development costs at December 31, 1998 is approximately \$1,377,000 related to the Las Vegas Convention Center, and \$159,000 related to the San Antonio Convention Center (see Note 7).

Revenue Recognition

The Partnership recognizes revenue from services and the related direct costs in the period in which the services are rendered.

Business Development

Business development costs are capitalized upon successful development and amortized over the term of the convention center contract or written-off at the time it is determined that such projects will be abandoned. Included in prepaid expenses and other current assets is \$222,000 and \$218,000 at December 31, 1998 and 1997, respectively, of business development costs related to ongoing projects. In April 1998, the American Institute of Certified Public Accountants' Accounting Standards Executive Committee issued Statement of Position 98-5 "Reporting on the Costs of Start-Up Activities" ("SOP 98-5") which will be effective in fiscal 1999, requiring business development costs to be expensed as incurred. As of December 31, 1998, the Company has capitalized

Facilities Communications International, Ltd.
and Subsidiaries (A Limited Partnership)

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

franchise development costs of \$1,536,000, net of accumulated amortization, consisting of business development and other related costs to obtain contracts to provide telecommunication services to the Las Vegas and San Antonio convention centers. Had SOP 98-5 been adopted at December 31, 1998, total assets and partners' capital would have been reduced by \$870,000.

Income Taxes

Income taxes are not provided because the income or loss of the Partnership is reported on the tax returns of the Partners.

Profit and Loss Distributions

Profit and loss distributions are made under the terms of the Partnership agreement and are generally allocated to the Partners in accordance with their respective Partnership interests (see Note 1).

3. Long-Term Debt

The Partnership entered into a credit agreement with a bank on June 24, 1997 which provided for a \$7.5 million revolving credit facility. The initial proceeds of the loan of approximately \$1,245,000 were used to repay the Partnership's existing term loan. The Partnership may borrow up to the amount of the total commitment which automatically decreased by \$500,000 on June 30, 1998 and \$1,000,000 on December 31, 1998, and further decreases by \$1,000,000 each 6 month period thereafter through December 31, 2001. In addition the Partnership may be required to make an annual payment based on the previous year's excess cash flow, as defined, for each fiscal year commencing January 1, 1999.

The outstanding balance of the loan bears interest, payable quarterly, based on an interest rate option selected by the Partnership, to be adjusted based on the results of a certain financial ratio. The interest rates in effect at December 31, 1998 and 1997 were 6.50% and 7.44%, respectively. The Partnership is required to pay a commitment fee of between 0.25% and 0.375% on the unused portion of the revolving credit facility. The terms of the agreement include, in addition to other requirements, that the Partnership maintain compliance with certain financial ratios and limit additional borrowings and distributions to Partners.

Facilities Communications International, Ltd.
and Subsidiaries (A Limited Partnership)

Notes to Consolidated Financial Statements (continued)

3. Long-Term Debt (continued)

The loan is collateralized by all of the assets of the Partnership and the assignment of all Partnership interests.

The carrying value of the loan approximates fair value.

As of December 31, 1998, maturities of long-term debt are as follows:

1999	\$ -
2000	1,500,000
2001	2,000,000

Interest paid during 1998 and 1997 totaled \$175,000 and \$117,000, respectively.

4. Related Parties

US Cable Corporation, an affiliate of the General Partner, has advanced funds for certain organizational and loan origination costs and also advances the payroll for the Managing Director of the Partnership.

US Cable Corporation has also been engaged to manage the operations of the Partnership for a monthly fee of \$20,000 and \$10,000 for 1998 and 1997, respectively. Unpaid management fees of approximately \$80,000 and \$90,000 are included in due to affiliates at December 31, 1998 and 1997, respectively.

Due from affiliates at December 31, 1997 consists of a receivable due from Warp Drive, an affiliated telecommunication service company, which amount was collected in 1998.

Advances to Partners at December 31, 1997 represent amounts loaned to the Partners in December 1997 which were repaid in 1998.

5. Commitments

The Partnership leases office space under a noncancelable operating lease with an initial five year term and a renewal option for an additional two year period. The lease contains an annual minimum escalation of 3%. The Partnership records rent expense on a straight-line basis over the term of the lease. Future minimum rental commitments on this five year lease are as follows:

Facilities Communications International, Ltd.
and Subsidiaries (A Limited Partnership)

Notes to Consolidated Financial Statements (continued)

5. Commitments (continued)

1999	\$ 169,000
2000	205,000
2001	212,000
2002	219,000
2003	111,000

Rent expense for all operating leases was \$77,000 for the year ended December 31, 1998.

6. Employee Benefit Plan

The Partnership has a defined contribution plan that qualifies as a deferred salary arrangement under Section 401(a) of the Internal Revenue Code. All employees meeting minimum age or service requirements are eligible to participate and may contribute before-tax dollars ranging from 1% to 15% of gross pay. The Partnership matches 100% of each employee's first 6% (5% in 1997) of wages contributed. Total Partnership contributions for 1998 and 1997 were \$40,000 and \$22,000, respectively, and are included in salaries and related items.

7. Subsequent Events

On January 1, 1999, the Partnership Agreement was amended and restated to eliminate the distinction between Class A and Class B Limited Partners and revise the interests among the Partners.

On January 14, 1999, a subsidiary of the Partnership obtained a contract to provide telecommunications services for the Henry B. Gonzales Convention Center in San Antonio (Texas). The term of this contract is 10 years.

On February 11, 1999, the Partnership, through a newly formed wholly-owned subsidiary, acquired all of the assets of Expotel Corporation for \$320,000 which included the assumption of liabilities of \$240,000. Expotel Corporation provides telecommunications services to convention centers and hotels primarily in San Diego (California) and Santa Clara (California). The acquisition will be accounted for under the purchase method of accounting.

Facilities Communications International, Ltd.
and Subsidiaries (A Limited Partnership)

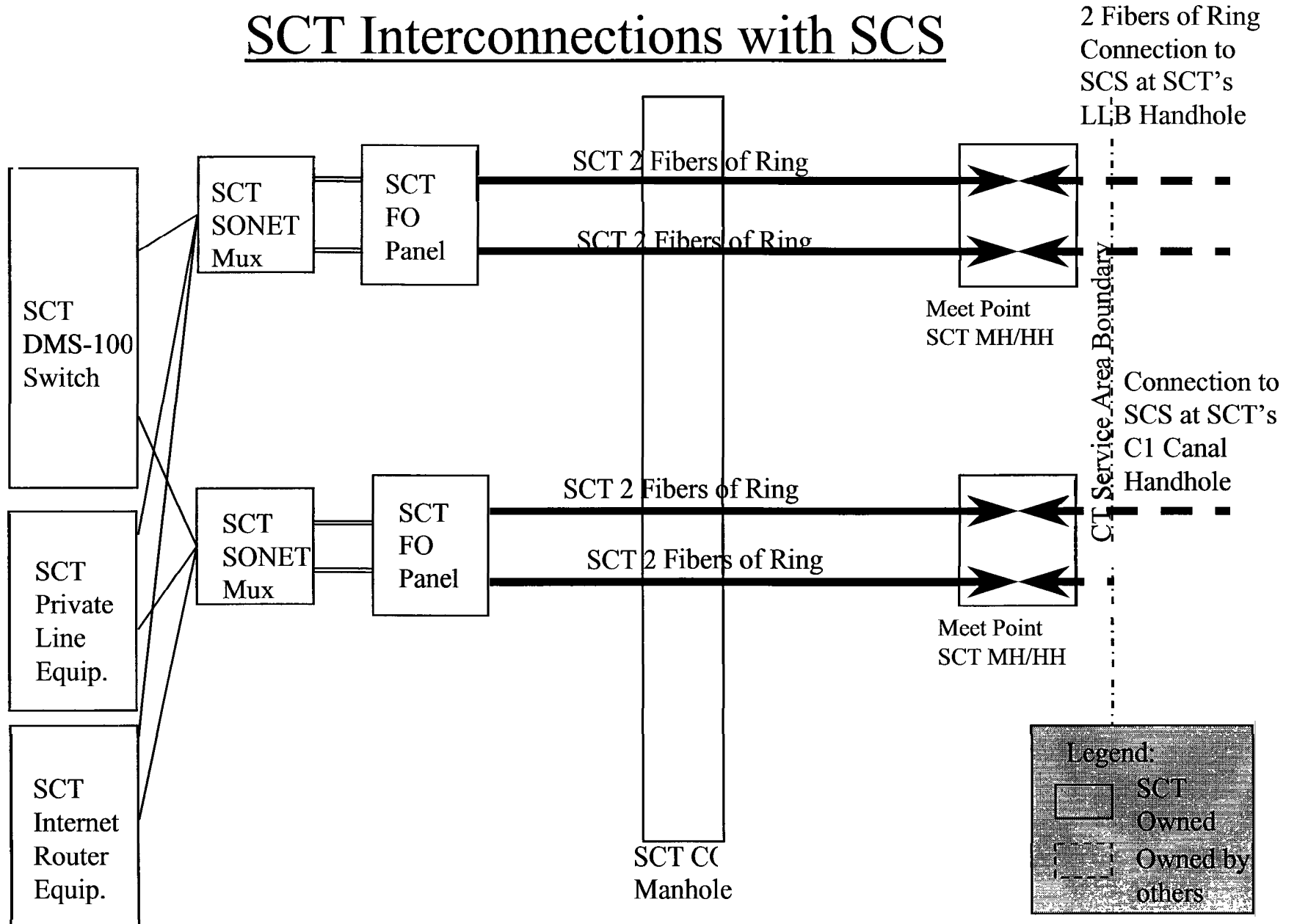
Notes to Consolidated Financial Statements (continued)

8. Impact of Year 2000 (Unaudited)

The Partnership has developed a plan to ensure all of its critical information technology systems are ready for the year 2000. This evaluation includes vendor-supplied software and hardware, its switching and telephone equipment, as well as outside service bureaus which perform billing services for the Partnership. US Cable Corporation, which manages the operations of the Partnership, is in the process of implementing a new accounting package which is Year 2000 compliant. In addition, the Partnership has received, or is in the process of obtaining, certification from its outside service bureau and suppliers of switching and telephone equipment, that the technology associated with their services and equipment is Year 2000 compliant. The Partnership plans to perform testing to validate Year 2000 compliance, which should be completed by mid-1999, and will develop contingency plans based on the results of such testing. The Partnership currently expects the project to be substantially complete by mid 1999 and does not expect related costs to be significant. The Partnership does not expect this project to have a significant effect on operations.

APPENDIX D
INTRASTATE NETWORK DIAGRAM

SCT Interconnections with SCS



MAY-15-2001 11:30

BMJ CORP 4

212 702 5797 P.02

**FLORIDA DEPARTMENT OF STATE****Katherine Harris**
Secretary of State

May 14, 2001

LEXIS DOCUMENT SERVICES

The Articles of Organization for SMART CITY SOLUTIONS, LLC were filed on May 14, 2001, and assigned document number L01000007558. Please refer to this number whenever corresponding with this office.

In accordance with section 608.406(2), F.S., the name of this limited liability company is filed with the Department of State for public notice only and is granted without regard to any other name recorded with the Division of Corporations.

The certification you requested is enclosed.

A limited liability annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the limited liability company address changes, it is the responsibility of the limited liability to notify this office.

Should you have any questions regarding this matter, please telephone (850) 487-6051, the Registration Section.

Trevor Brumbley
Document Specialist
Division of Corporations

Letter Number: 401A00029192

Account number: FCA000000005

Amount charged: 155.00

Division of Corporations - P.O. BOX 6827 -Tallahassee, Florida 32314

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Organization of SMART CITY SOLUTIONS, LLC, a limited liability company organized under the laws of the state of Florida, filed on May 14, 2001, as shown by the records of this office.

The document number of this limited liability company is L01000007558.

Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capitol, this the Fourteenth day of May, 2001



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY

ARTICLE I - Name:

The name of the Limited Liability Company is:

Smart City Solutions, LLC

ARTICLE II - Address:

The mailing address and street address of the principal office of the Limited Liability Company is:

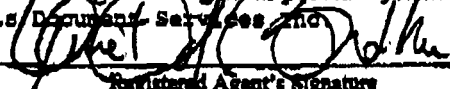
3100 Bonnet Creek Road, Lake Buena Vista, Florida 32830

ARTICLE III - Registered Agent, Registered Office, & Registered Agent's Signature:

The name and the Florida street address of the registered agent are:

Lexis Document Services Inc.
 Name
3953 NW Kelley Road
 Florida street address (P.O. Box NOT acceptable)
Tallahassee FL 32311
 City, State, and Zip

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent as provided for in Chapter 608, F.S..

Lexis Document Services Inc.
 BY: 
 Registered Agent's Signature
 Janet M. Budhu, Assistant Secretary

Article IV - Management (Check box if applicable.)

The Limited Liability Company is to be managed by one manager or more managers and is, therefore, a manager - managed company.

(An additional article must be added if an effective date is requested)


Signature of a member or an authorized representative of a member.

(In accordance with section 608.408(3), Florida Statutes, the execution of this document constitutes an affirmation under the penalties of perjury that the facts stated herein are true.)

P. Nicola Malcolm - Authorized Person

Typed or printed name of signee

APPROVED
 AND
 FILED
 01 MAY 14 PM 12:42
 SECRETARY OF STATE
 TALLAHASSEE, FLORIDA

Filing Fees:
 \$100.00 Filing Fee for Articles of Organization
 \$ 25.00 Designation of Registered Agent
 \$ 30.00 Certified Copy (Optional)
 \$ 5.00 Certificate of Status (Optional)

TITLE PAGE
FLORIDA ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
OF
SMART CITY SOLUTIONS, LLC

This Price List contains the descriptions, regulations, and rates applicable to the furnishing of Alternative Local Exchange Telecommunications Services provided by Smart City Solutions, LLC ("SCS" or the "Company"), with its principal office located at 3100 Bonnet Creek Road, Lake Buena Vista, Florida and mailing address of P.O. Box 22555, Lake Buena Vista, Florida 32830-2555. This Price List applies to services furnished by SCS within the State of Florida. This Price List is on file with the Florida Public Service Commission, and copies may be inspected, during normal hours, at the Company's principal place of business.

ISSUED: November 13, 2001

EFFECTIVE:

ISSUED BY:

Martin A. Rubin, President
P.O. Box 22555
Lake Buena Vista, Florida 32830-2555

CHECK SHEET

Sheets 1 through 46, inclusive of this Price List, are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original Price List and are currently in effect as of the date on the bottom of this sheet.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	36	Original
2	Original	37	Original
3	Original	38	Original
4	Original	39	Original
5	Original	40	Original
6	Original	41	Original
7	Original	42	Original
8	Original	43	Original
9	Original	44	Original
10	Original	45	Original
11	Original	46	Original
12	Original		
13	Original		
14	Original		
15	Original		
16	Original		
17	Original		
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27	Original		
28	Original		
29	Original		
30	Original		
31	Original		
32	Original		
33	Original		
34	Original		
35	Original		

* Indicates new or revised sheet with this filing

ISSUED: November 13, 2001

EFFECTIVE:

ISSUED BY:

Martin A. Rubin, President
P.O. Box 22555
Lake Buena Vista, Florida 32830-2555

TABLE OF CONTENTS

SHEET

TITLE PAGE..... 1
 CHECK SHEET 2
 TABLE OF CONTENTS..... 3
 EXPLANATION OF SYMBOLS 7
 PRICE LIST FORMAT 8

SECTION 1 – ABBREVIATIONS AND DEFINITIONS 9

 1.1. ABBREVIATIONS..... 9
 1.2. DDFINITIONS 9

 1.2.1. Access Line 9
 1.2.2. Account Code or Authorization Code 9
 1.2.3. Called Station 9
 1.2.4. Central Office 9
 1.2.5. Company 9
 1.2.6. Customer 10
 1.2.7. Day 10
 1.2.8. End User 10
 1.2.9. Evening 10
 1.2.10. Exchange 10
 1.2.11. Intra-LATA Toll Messages 10
 1.2.12. Local Access Transport Area (“LATA”) 10
 1.2.13. Local Exchange Carrier (“LEC”) 10
 1.2.14. Marks 11
 1.2.15. Message 11
 1.2.16. Night/Weekend 11
 1.2.17. Underlying Carrier 11

SECTION 2 – RULES AND REGULATIONS..... 12

 2.1. APPLICABILITY OF PRICE LIST 12
 2.2. UNDERTAKING OF THE COMPANY 12
 2.3. LIMITATIONS AND USE OF SERVICE 12
 2.4. ESTABLISHMENT AND FURNISHING OF SERVICE 13

 2.4.1. Obligation to Furnish Service 13
 2.4.2. Application for Service 13
 2.4.3. Application of Rates for Business and Residence Service 14
 2.4.4. Transfer of Service Between Customers 16
 2.4.5. Floor Space and Electric Power at the Customer's Premises 17
 2.4.6. Provision and Ownership of Equipment and Facilities 17
 2.4.7. Maintenance and Repairs 18
 2.4.8. Company Facilities at Hazardous or Inaccessible Locations 18
 2.4.9. Work Performed Outside Regular Working Hours 18
 2.4.10. Suspension of Business and Residence Service (Vacation Service) 18
 2.4.11. Termination of Service at the Customer’s Request 20

ISSUED: November 13, 2001

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Martin A. Rubin, President
 P.O. Box 22555
 Lake Buena Vista, Florida 32830-2555

TABLE OF CONTENTS

SHEET

SECTION 2 – RULES AND REGULATIONS (cont'd)

2.5. CREDIT AND DEPOSITS FOR APPLICANTS..... 20

2.6. REFUSAL, DISCONTINUANCE, OR TERMINATION OF SERVICE BY COMPANY 23

2.7. CUSTOMER BILLING 26

2.8. CUSTOMER BILLING INQUIRIES 26

2.9. TAXES 26

2.10. PAYMENT 27

 2.10.1 Advance Payments..... 27

 2.10.2. Payment for Service..... 27

2.11. INTERRUPTION OF SERVICE 29

2.12. RESPONSIBILITIES OF THE CUSTOMER 29

2.13. LIABILITY OF THE COMPANY 30

 2.13.1. Service Irregularities 30

 2.13.2. Use of Facilities of Other Connecting Carriers 31

 2.13.3. Indemnifying Agreement 31

 2.13.4. Defacement of Premises 31

 2.13.5. Period for the Presentation of Claims 31

 2.13.6. Equipment in Explosive Atmospheres or Other Hazardous Locations..... 32

2.14. TELECOMMUNICATIONS ACCESS SYSTEM ACT OF 1991 (TASA)..... 32

2.15. PRICE LIST VS. CONTRACT..... 33

2.16. APPLICABLE LAW..... 33

ISSUED: November 13, 2001

EFFECTIVE:

ISSUED BY:

Martin A. Rubin, President
P.O. Box 22555
Lake Buena Vista, Florida 32830-2555

TABLE OF CONTENTS

SHEET

SECTION 3 – BASIC SERVICE DESCRIPTIONS AND RATES 34

 3.1. GENERAL 34

 3.2. LOCAL EXCHANGE SERVICE 34

 3.2.1. General 34

 3.2.2. Local Calling Area 34

 3.2.3. Monthly Exchange Rates 35

 A. Residence and Business Main Service Rates 35

 1. Residence Main Flat Rate Service 35

 2. Business Main Flat Rate Service 35

 3. PBX Trunks 35

 4. Key Main Flat Rate Service 35

 3.3. DIRECTORY ASSISTANCE SERVICE 35

 3.3.1. General 35

 3.3.2. Rates 35

 3.4. OPERATOR ASSISTED LOCAL CALLS 36

 3.5. EMERGENCY SERVICES (ENHANCED 911) 37

 3.6. SPECIAL PROMOTIONS 37

 3.7. SERVICES BASED UPON DISTANCE 38

 3.7.1. **Timing of Calls** 38

 3.7.2. Billing Increments 38

 3.7.3. Rounding 38

 3.7.4. Calculation of Distance 38

 A. General 38

 B. Determination of Airline Mileage 38

 3.7.5. Determining Applicable Rate in Effect 39

 3.7.6. Minimum Call Completion Rate 39

 3.8. TELECOMMUNICATIONS RELAY SERVICE 40

 3.9. DISCOUNTS FOR HEARING IMPAIRED CUSTOMERS 40

 3.10. DIRECTORY LISTINGS 40

 3.10.1. General 40

 3.10.2. Rates 40

ISSUED: November 13, 2001

EFFECTIVE:

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Martin A. Rubin, President
P.O. Box 22555
Lake Buena Vista, Florida 32830-2555

TABLE OF CONTENTS

SHEET

SECTION 4 – SERVICE CONNECTION CHARGES41

4.1. GENERAL41

4.1.1. Service Connection Charges41

 A. Service Ordering Charges41

 B. Access Line Charge41

 C. Premises Work Charge41

 D. Premises Visit Charge41

 E. Record Change Charge41

4.1.2. Administrative Changes41

4.2. SCHEDULE OF CHARGES41

4.2.1. Service Ordering Charges, each order41

 A. Primary41

 B. Secondary41

4.2.2. Access Line Charge, each line42

4.2.3. Premises Work Charge42

4.2.4. Restoration of Service42

4.2.5. Premises Visit Charge42

4.2.6. Record Change Charge42

4.2.7. Telephone Number Change Charge42

4.3. APPLICATION OF SERVICE CONNECTION CHARGES43

4.3.1. General43

 A. Service Ordering Charges43

 B. Access Line Charge43

 C. Premises Work Charge43

 D. Premises Visit Charge43

 E. Record Change Charge43

4.3.2. Service Connection Charges for Moves and Changes45

 A. General45

 B. Moves45

 C. Changes46

ISSUED: November 13, 2001

EFFECTIVE:

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P.O. Box 22555
Lake Buena Vista, Florida 32830-2555

EXPLANATION OF SYMBOLS

When changes are made in any Price List sheet, a revised sheet will be issued canceling the Price List sheet affected. Such changes will be identified through the use of the following symbols used for the purposes indicated below:

- (D) - To signify discontinued or deleted rate, regulation, or text
- (I) - To signify a change resulting in an increase in rate
- (M) - To signify a move from one Price List sheet to another with no change to text, regulation, or rate
- (N) - To signify a new rate, and/or regulation, and/or new text.
- (R) - To signify a change resulting in a reduction or decrease in rate.
- (T) - To signify a change in text, but no change in rate, charge or regulation
- (|) - To signify that the marginal notation directly above it is continued down vertically and connected to the next appearance of the same marginal notation.

The above symbols will apply except where additional symbols are identified at the bottom of individual Price List sheets.

ISSUED: November 13, 2001

EFFECTIVE:

ISSUED BY:

Martin A. Rubin, President
P.O. Box 22555
Lake Buena Vista, Florida 32830-2555

PRICE LIST FORMAT

- A. **SHEET NUMBERING** - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the Price List. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

- B. **SHEET REVISION NUMBERS** - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th Revised Sheet 14 cancels the 3rd Revised Sheet 14. Consult the Check Sheet for the sheet currently in effect.

- C. **PARAGRAPH NUMBERING SEQUENCE** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
 - 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).

- D. **CHECK SHEETS** - When a Price List filing is made with the FPSC, an updated Check Sheet accompanies the Price List filing. The Check Sheet lists the sheets contained in the Price List, with a cross reference to the current revision number. When new pages are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on the Check Sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The Price List user should refer to the latest Check Sheet to find out if a particular sheet is the most current on file with the FPSC.

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SECTION 1 – ABBREVIATIONS AND DEFINITIONS

Certain abbreviations and definitions generally used throughout this Price List are defined below and are used herein only for the purposes indicated below:

1.1. ABBREVIATIONS

FCC	-	Federal Communications Commission
FPSC	-	Florida Public Service Commission
IXC	-	Interexchange Carrier
LATA	-	Local Access Transport Area
LEC	-	Local Exchange Carrier
MTS	-	Message Telecommunications Service
SCS	-	Smart City Solutions, LLC

1.2. DEFINITIONS

1.2.1. Access Line

An arrangement which connects the calling customer’s location to a Company network switching center or a switching center of one of the Company’s Underlying Carriers.

1.2.2. Account Code or Authorization Code

A number or numerical code assigned to each Customer Account, one or more of which are available to a Customer to enable him/her to access the Company, and which are used by the Company both to prevent unauthorized access to its facilities and to identify the Customer for rating and processing of calls and for billing purposes.

1.2.3. Called Station

Denotes the terminating point of a call (i.e., the called telephone number).

1.2.4. Central Office

A location where there is an assembly of equipment that establishes the connections between Customer access lines, trunks, switched access circuits, private line facilities, and special access facilities with the rest of the telephone network.

1.2.5. Company

Used throughout this Price List to refer to Smart City Solutions, LLC (“SCS”) unless otherwise clearly indicated by the context.

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SECTION 1 – ABBREVIATIONS AND DEFINITIONS (cont'd)**1.2. DEFINITIONS (cont'd)****1.2.6. Customer**

The person, firm, partnership, corporation, or other entity which orders service, uses telecommunications services under the provisions and regulations of this Price List, and is responsible for payment of charges due and for compliance with the Company's Price List regulations.

1.2.7. Day

From 8:00 A.M. up to but not including 5:00 P.M. local time at the originating terminal on Monday through Friday.

1.2.8. End User

A person initiating an intrastate telephone call using the services of the Company.

1.2.9. Evening

From 5:00 P.M. up to but not including 11:00 P.M. local time at the originating terminal on Sunday through Friday.

1.2.10. Exchange

The entire telephone plant and facilities used in providing telephone service to Customers located in an exchange area.

1.2.11. Intra-LATA Toll Messages

Those toll messages which originate and terminate within the same LATA.

1.2.12. Local Access and Transport Area ("LATA")

A geographic area established as required by the Modified Final Judgment entered in United States vs. Western Electric Co., Inc., 552 F. Supp. 131 (D.D.C. 1982), within which a local exchange telephone company provides communication services.

1.2.13. Local Exchange Carrier ("LEC")

Local exchange telephone company.

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SECTION 1 – ABBREVIATIONS AND DEFINITIONS (cont'd)**1.2. DEFINITIONS (cont'd)****1.2.14. Marks**

A collective term to mean such items as trademarks, service marks, trade names, and logos; copyrighted words, artwork, designs, pictures or images; or any other device or merchandise to which legal rights or ownership are held or reserved by an entity.

1.2.15. Message

A completed telephone call.

1.2.16. Night/Weekend

From 11:00 P.M. up to but not including 8:00 A.M. on Sunday through Friday, and 8:00 A.M. on Saturday up to but not including 5:00 P.M. Sunday.

1.2.17. Underlying Carrier

A provider of interexchange telecommunication services from whom the Company acquires services which it resells to its Customers.

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SECTION 2 - RULES AND REGULATIONS**2.1. APPLICABILITY OF PRICE LIST**

This Price List and the rules and regulations specified herein are applicable to telecommunications services provided by the Company within the state of Florida.

2.2. UNDERTAKING OF THE COMPANY

2.2.1. The Company provides telecommunications services throughout the State of Florida through the resale of services offered by other authorized Underlying Carrier(s).

2.2.2. The Company installs, operates, and maintains the telecommunication services provided hereunder in accordance with the terms and conditions set forth under this Price List. It may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to the Company's network. The Customer shall be responsible for all charges due for such service arrangements.

2.2.3. Unless otherwise specified or ordered on a longer term basis, the Company's services and facilities are provided on a monthly basis, and are available 24 hours per day, seven (7) days per week. The initial service period is one (1) month commencing with the date of installation of the service.

2.3. LIMITATIONS AND USE OF SERVICE

2.3.1. Service will be furnished and offered subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this Price List.

2.3.2. Neither Customers nor End Users may use the services furnished by the Company in violation of any law or any provision of this Price List.

2.3.3. The Company reserves the right to refuse or discontinue the furnishing of services or to limit the use of services when necessitated by conditions beyond its control; or when the Company has reasonable grounds to believe that the Customer or End User is or will be using services in violation of the law or the provisions of this Price List.

2.3.4. Certain operator assistance functions are referred to a local exchange operator.

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

2.3.6. The Company reserves the right to discontinue the offering of service if a change in regulation materially and negatively impacts the financial viability of the service in the best business judgment of the Company.

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SECTION 2 – RULES AND REGULATIONS**2.4. ESTABLISHMENT AND FURNISHING OF SERVICE****2.4.1. Obligation to Furnish Service**

The Company's obligation to furnish service or to continue to furnish service is dependent on its ability to obtain, retain and maintain suitable rights and facilities, and to provide for the installation of those facilities required incident to the furnishing and maintenance of that service.

2.4.2. Application for Service

- A. Any applicant for service may be required to sign an application form requesting the Company to furnish the service in accordance with rates, charges, rules and regulations from time to time in force and effect.
- B. The Company reserves the right to refuse service to any applicant who is found to be indebted to the Company for service previously furnished until satisfactory arrangements have been made for the payment of all such indebtedness, except that conditions specified in 2.6.1.A. through 2.6.1.F. of this Section 2 of the Price List do not constitute sufficient cause for refusal of service to an applicant or customer. The Company may also refuse to furnish service to any applicant desiring to establish service for former Customers of the Company who are indebted for previous service, regardless of the listing requested for such service, until satisfactory arrangements have been made for the payment of such indebtedness.
- C. If a telephone service is established and it is subsequently determined that either condition in 2.4.2.B. above exists, the Company may suspend or disconnect such service until satisfactory arrangements have been made for the payment of the prior indebtedness.
 - 1. In case of refusal to establish service, or whenever service is discontinued, the Company shall notify the applicant or customer in writing of the reason for such refusal or discontinuance.
- D. When an application for service and facilities or requests for additions, rearrangements, relocations, or modifications of service and equipment are canceled in whole or in part prior to completion of the work involved, the applicant is required to reimburse the Company for all expense incurred in handling the request before notice of cancellation is received. Such charge, however, is not to exceed all charges which would apply if the work involved in complying with the request had been completed.

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SECTION 2 – RULES AND REGULATIONS**2.4. ESTABLISHMENT AND FURNISHING OF SERVICE (cont'd)****2.4.2. Application for Service (cont'd)**

- E. When a Customer requests a change in location of all or a part of the facilities covered by his application for service or requests for additions, rearrangements or modification of his existing service and equipment prior to completion of the work involved, he may be required to pay the difference between the total costs and expenses incurred by the Company in completing the work involved and that which would have been incurred had the final location of the facilities been specified initially.

2.4.3. Application of Rates for Business and Residence Service

- A. Although in general business rates apply at business locations and residence rates apply at residence locations, the determination as to whether Customer service should be classified as business or residence is based on the character of use to be made of the service.
- B. Business rates apply whenever the use of the service is primarily or substantially of a business, professional, institutional or otherwise occupational nature or where the listing required is such as to indicate business use. Business rates apply for:
1. Offices, stores, factories, mines, and all other places of a strictly business nature.
 2. Boarding houses, except as modified herein; offices of hotels, halls, and offices of apartment houses, colleges, quarters occupied by clubs and fraternal societies, except as modified herein; public, private or parochial schools, hospitals, nursing homes, libraries, and other institutions and in churches.

Note: For the purpose of this Price List, a boarding house is defined as a house or apartment where rooms are rented or boarders taken or both. Such houses or apartments may obtain service at residence rates when in the judgment of the Company, they are not conducted primarily for business purposes and are listed as residences.

3. At residence locations, where the place of residence is adjacent to a place of business and is connected thereto, and it is not evident that the service located in the residence is to be employed primarily for domestic use.
4. At residence locations where an extension of the exchange access line is located in any place where business rates would apply under the provisions of this Price List except where the extension is in a business location which is classed as business for purposes of obtaining a business designation in the directory and would otherwise not be considered a business, and further provided the extension is located on the same premises as the main residence service.

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SECTION 2 – RULES AND REGULATIONS**2.4. ESTABLISHMENT AND FURNISHING OF SERVICE (cont'd)****2.4.3. Application of Rates for Business and Residence Service (cont'd)****B. (cont'd)**

5. Any location where a business designation is provided or when any title indicating a trade or profession is listed, except as modified herein.
6. All other locations where the Customer's primary use of the service is for business purposes.
7. Where data services are provided on lines at a residence location, business rates apply for all lines in excess of two and for the second line if it will not be available for use by members of the household or if the location, listing, or stated use indicates residence rates are not applicable.
8. Business rates will be applicable to access lines providing interconnection of Company facilities with amateur radio repeater stations if the repeater station is located on commercial property. Access lines for amateur radio repeater stations located on property used for residential purposes are subject to residence access line rates.

C. Residence rates apply when the use of the service is of a domestic nature and provided that service is not used substantially for occupational purposes. Residence rates apply for:

1. Private residences on service not employing a business listing.
2. Private apartments in hotels, clubs, and boarding houses where service is confined to the domestic use of the Customer and business listings are not employed.
3. The place of residence of a clergyman, physician, registered or practical nurse, midwife, dentist, veterinary surgeon, or other medical practitioner or Christian Science practitioner, provided the service is not installed in that portion of the Customer's residence which is used as an office, but is located in the Customer's domestic establishment, and provided no business designation is employed. Titles such as "Dr.", "Rev.", "Judge", "Professor" are not considered business designations.
4. Private stable or garage when strictly a part of the Customer's domestic establishment.

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SECTION 2 – RULES AND REGULATIONS**2.4. ESTABLISHMENT AND FURNISHING OF SERVICE (cont'd)****2.4.3. Application of Rates for Business and Residence Service (cont'd)**

- C. (cont'd)
5. College fraternity houses where members of the fraternity lodge within the house.
 6. Secretarial line terminations of residence main service terminating as extension lines on the premises of a telephone answering bureau.
- D. Changes from business service to residence service are made only in the event of a change in the Customer's arrangements which would entitle him to a residence classification of his service. Ordinarily the Customer's business number is to be changed and a new number assigned to the residence service without reference of calls.
- E. Changes from residence to business service may be made without change in telephone number, if the Customer so desires. Service charges, which apply for such changes, are quoted in Section 4 of this Price List.

2.4.4. Transfer of Service Between Customers

- A. Service previously furnished to one Customer may be assumed by a new Customer upon due notice of cancellation, or in case of abandonment, provided there is no lapse in the rendition of service. Such transfers are subject to service connection charge regulations and may be arranged for in either of two ways:
1. If the new Customer, fully understanding the regulations governing the service and the status of the account, willingly assumes all obligations thereunder, future bills are then rendered without an adjustment to or from any particular date, with the Company arranging for the requested change in billing and directory listing. No final bill will be issued.
 2. If the new Customer does not wish to assume payment of the old account, a new service application is taken and an adjustment in billing is made to and from the date the transfer is effective. A final bill is rendered for the old account and appropriate service connection charges apply for the new account.
- B. Under either method of transfer the reassignment of the old telephone number to the service of the new party is arranged for only after the former Customer has given his consent to its use, and then only when, in the judgment of the Company, there exists no relationship, business or otherwise, between the old and new Customers, and when in the judgment of the Company a change in the telephone number is not required.

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SECTION 2 – RULES AND REGULATIONS**2.4. ESTABLISHMENT AND FURNISHING OF SERVICE (cont'd)****2.4.4. Transfer of Service Between Customers (cont'd)**

- C. When in the judgment of the Company a relationship does exist, business or otherwise, between the old and new Customers, the reassignment of the old telephone number will not be permitted unless all charges due under the current account have been paid, and then only when in the judgment of the Company a change in the telephone number is not required.

2.4.5. Floor Space and Electric Power at the Customer's Premises

- A. Unless otherwise agreed to by the Company and the Customer, the Customer is responsible for the provision and maintenance, at his expense, of all suitable space and floor arrangements required on his premises for communication facilities provided by the Company in connection with services furnished to the Customer by the Company. Suitable power outlets and commercial power required for the operation of such facilities shall be provided by, and at the expense of, the Customer.
- B. Except for those operating procedures related specifically to the operation and maintenance of Company equipment, all operating procedures required for the use of communications facilities provided by the Company at the Customer's premises will be performed at the expense of the Customer, and must conform with the operating practices and procedures of the Company to maintain proper standard of service.

2.4.6. Provision and Ownership of Equipment and Facilities

- A. Equipment and facilities furnished by the Company on the premises of a Customer or authorized user of the Company are the property of the Company and are provided upon the condition that such equipment and facilities except as expressly provided in this Price List, must be installed, relocated, and maintained by the Company and that the Company's employees and agents may enter said premises at any reasonable hour upon prior reasonable notice to install, inspect or repair any part of the Company's equipment and facilities on the Customer's premises, or upon termination or cancellation of the service to remove such equipment, instruments, and lines.
- B. Customers may not disconnect or remove or permit others to disconnect or remove any apparatus installed by the Company, except upon the written consent of the Company.
- C. Equipment and facilities furnished by the Company shall, upon termination of service from any cause whatsoever, be returned to it in good condition, except that Customers shall not be responsible for reasonable wear and tear and damages for casualty or acts of God.

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SECTION 2 – RULES AND REGULATIONS**2.4. ESTABLISHMENT AND FURNISHING OF SERVICE (cont'd)****2.4.7. Maintenance and Repairs**

All ordinary expense of maintenance and repairs, unless otherwise specified in this Price List, is borne by the Company. In case of damage, loss, theft, or destruction of any of the Company's property due to the negligence or willful act of the Customer or other persons authorized to use the service, and not due to ordinary wear and tear or causes beyond the control of the Customer, the Customer shall be required to pay the expense incurred by the Company in connection with the replacement of the property damaged, lost, stolen, or destroyed, or the expense incurred in restoring it to its original condition.

2.4.8. Company Facilities at Hazardous or Inaccessible Locations

Where service is to be established at a location that would involve undue hazards, or where accessibility is impractical to employees of the Company, the Customer may be required to install and maintain the Company's equipment and facilities in a manner satisfactory to the Company, with any remuneration to be based on the conditions involved.

2.4.9. Work Performed Outside Regular Working Hours

The rates and charges specified in this Price List contemplate that all work in connection with furnishing or rearranging service be performed during the Company's regular working hours which are Monday through Friday, 8:00 a.m. to 5:00 p.m., E.S.T. Whenever a Customer requests that work necessarily required in the furnishing or rearranging of his service be performed outside the Company's regular working hours or that work once begun be interrupted, so that the Company incurs costs that would not otherwise have been incurred, the Customer may be required to pay, in addition to the other rates and charges specified in this Price List, the amount of additional costs incurred by the Company as a result of the Customer's special requirements.

2.4.10. Suspension of Business and Residence Service (Vacation Service)**A. General**

1. Upon request, a Customer to business or residence service may arrange for the temporary suspension of such service, except when subject to initial service period.
 - (a). For residence service the suspension is not applicable for periods less than two (2) months nor for more than eight (8) months in a calendar year.
 - (b). For business service the suspension is not applicable for periods less than one (1) month nor for more than six (6) months in a calendar year.

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SECTION 2 – RULES AND REGULATIONS**2.4. ESTABLISHMENT AND FURNISHING OF SERVICE (cont'd)****2.4.10. Suspension of Business and Residence Service (Vacation Service) (cont'd)****A. General (cont'd)**

2. Local or long distance service is not furnished during the period of suspension. At the request of the Customer, inward calls to a station at which service is suspended may be referred to the call number of another station in the same or a distant exchange.
3. The charge for the total suspension period may be collected in advance.
4. Whenever the period of disconnection is less than the minimum period, the charge levied by the Company will not exceed the regular rate for the service.
5. Where the Customer is an emergency oriented organization, the primary mission of which is the preservation of life or property and is government funded, and the normal use of the service is limited to emergency situations, and kept on a standby basis during nonemergency times, the six (6) month maximum is waived.

B. Application of Charges**1. Residence Service**

The monthly charge for residence access line service or any part billed on the same account during the period of suspension is fifty percent (50%) of the rate regularly charged.

2. Business Service

- (a). The charge for business access line service or any part billed on the same account during the period of suspension is fifty percent (50%) of the rates regularly charged.
- (b). The minimum charge for any calendar year shall be three-fourths of the annual rate except where the Customer is an emergency oriented organization, the primary mission of which is the preservation of life or property and is government funded, and use of the suspended service is limited to emergency situations and kept on a standby basis during nonemergency times except during testing by the Customer.

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SECTION 2 – RULES AND REGULATIONS**2.4. ESTABLISHMENT AND FURNISHING OF SERVICE (cont'd)****2.4.11. Termination of Service at the Customer's Request**

Service may be terminated at any time upon reasonable notice from the Customer to the Company. Upon such termination the Customer shall be responsible for the payment of all charges due. This includes all charges due for the period service has been rendered plus any unexpired portion of an initial service period or applicable termination charges, or both.

2.5. CREDIT AND DEPOSITS FOR APPLICANTS

2.5.1. The Company may, in order to safeguard its interests, require an applicant to establish satisfactory credit, or pay a cash deposit, as set forth in the following:

- A.** Credit will be deemed to be established if:
- 1.** The applicant for service has been a customer of any telephone utility within the last two (2) years and during the last 12 consecutive months of service did not have more than one (1) occasion in which a bill was paid after becoming delinquent and never had service disconnected for nonpayment; or
 - 2.** The applicant for service furnishes a satisfactory guarantor to secure payment of bills for the service requested. A satisfactory guarantor shall, at the minimum, be a customer of the Company with a satisfactory payment record. A guarantor's liability shall be terminated when a residential customer whose payment of bills is secured by the guarantor meets the requirements in 2.5.1.A.1. Guarantors providing security for payment of residential customers bills shall only be liable for bills contracted at the service address contained in the contract of guaranty; or
 - 3.** The applicant pays a cash deposit; or
 - 4.** The applicant for service furnishes an irrevocable letter of credit from a bank or a surety bond.

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EFFECTIVE:

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SECTION 2 – RULES AND REGULATIONS**2.5. CREDIT AND DEPOSITS FOR APPLICANTS (cont'd)****2.5.1. (cont'd)****B. Amount of Deposit**

The amount of the cash deposit shall not exceed an amount equal to the charges for one (1) month's local exchange service plus two (2) months' estimated toll service provided by or billed by the Company. If, after 90 days service, the actual deposit is found to be greater than an amount equal to one (1) month's local service plus two (2) months' actual average toll service provided by or billed by the Company, the Company shall, upon demand of the Customer to the Company, promptly refund the difference. These deposit rules apply to local exchange service and toll service provided by or billed by the Company only and do not apply to special arrangement agreements covering termination equipment installations for which the Company may require a reasonable deposit.

C. New or Additional Deposits

The Company may require, upon reasonable written notice of not less than 15 days, a new deposit, where previously waived or returned, or an additional deposit, in order to secure payment of current bills, however, the total amount of required deposit should not exceed twice the actual average monthly toll billing provided by or billed by the Company plus one (1) month's local service charge, for the 90 day period immediately prior to the date of notice. In the event the customer has had service less than 90 days, then the Company shall base its new or additional deposit upon the actual average monthly billing available. When the Company has good reason to believe payment by a nonresidential customer is in jeopardy and toll usage provided by or billed by the Company is significantly above normal for that customer, the Company may request a new or additional deposit. If the deposit requested is not paid within 48 hours, the Company may discontinue service.

D. Refund of Deposits

1. After a customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the residential customer's deposits and shall, at its option either refund or pay the higher rate of interest specified in 2.5.1.E. for nonresidential deposits, providing the customer has not, in the preceding 12 months, (a) made more than one (1) late payment of a bill (after the expiration of 15 days from the date of mailing or delivery by the Company), (b) paid with a check refused by a bank, (c) been disconnected for nonpayment, or at any time, (d) used service in a fraudulent or unauthorized manner.

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SECTION 2 – RULES AND REGULATIONS**2.5. CREDIT AND DEPOSITS FOR APPLICANTS (cont'd)****2.5.1. (cont'd)****D. Refund of Deposits (cont'd)**

2. Upon termination of service, the deposit and accrued interest may be credited against the final account and the balance, if any, shall be returned promptly to the customer, but in no event later than 45 days after service is discontinued.

E. Interest on Deposits

All deposits held by the Company in excess of six months shall bear simple interest at the rate of six percent (6%) per annum from the date the deposit is received. The Company shall pay an interest rate of seven percent (7%) per annum on deposits of nonresidential customers qualifying under 2.5.1.D.1. when such deposits are not refunded by the Company after 23 months. The deposit interest shall be simple interest in all cases and settlement shall be made annually, at the option of the Company, either in cash paid directly to the customer or, by credit on the customer's current bill. This does not prohibit the Company from paying a higher rate of interest than herein required. No customer depositor shall be entitled to receive interest on their deposit until and unless a customer relationship and the deposit have been in existence for a continuous period of six (6) months; then he or she shall be entitled to receive interest from the date of the commencement of the customer relationship and placement of the deposit. Nothing prohibits the Company from refunding at any time a deposit with any accrued interest.

F. Record of Deposits

The Company shall keep records to show:

1. The name of each customer making the deposit;
2. The premises occupied by the customer when the deposit was made;
3. The date and amount of deposit; and
4. Each transaction concerning the deposit such as interest payment, interest credited, or similar transactions.

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EFFECTIVE:

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SECTION 2 – RULES AND REGULATIONS**2.5. CREDIT AND DEPOSITS FOR APPLICANTS (cont'd)****2.5.1. (cont'd)****G. Receipt for Deposit**

A nontransferable certificate of deposit shall be issued to each customer and means provided so that the customer may claim the deposit if the certificate is lost. The deposit receipt shall contain notice that after 90 days' service, the Customer is entitled to refund of any deposit over and above an amount equal to one (1) month's local service plus two (2) months' average toll service provided by or billed by the Company.

H. Responsibility for Payment

The fact that a deposit has been made in no way relieves the applicant or Customer from complying with the Company's regulations as to advance payments and the prompt payment of bills on presentation, or constitutes a waiver or modification of the regular practice of the Company, providing for the discontinuance of service for nonpayment of any sums due the Company.

2.6. REFUSAL, DISCONTINUANCE, OR TERMINATION OF SERVICE BY COMPANY

2.6.1. As applicable, the Company may refuse, discontinue, or terminate telephone service under the following conditions provided that, unless otherwise stated, the customer shall be given notice and allowed a reasonable time to comply with any rule or remedy any deficiency:

- A.** For non-compliance with and/or violation of any State or municipal law, ordinance or regulation pertaining to telephone service.
- B.** For the use of telephone service for any other property or purpose than that described in the application.
- C.** For failure or refusal to provide the Company with a deposit to insure payment of bills in accordance with this Price List.
- D.** For neglect or refusal to provide reasonable access to the Company for the purpose of inspection and maintenance of equipment owned by the Company.
- E.** For non-compliance with and/or violation of the Commission's rules and regulations or any of the Company's regulations contained in this Price List, provided five (5) working days' written notice is given before termination.

ISSUED: November 13, 2001

EFFECTIVE:

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SECTION 2 – RULES AND REGULATIONS**2.6. REFUSAL, DISCONTINUANCE, OR TERMINATION OF SERVICE BY COMPANY (cont'd)****2.6.1. (cont'd)**

- F.** For non-payment of bills for telephone service, including the Telecommunications Access System surcharge, provided that suspension or termination of service shall not be made without five (5) working days' written notice to the customer, except where allowance of the five (5) day cure period would cause significant operational or economic hardship to the Company. The written notice shall be separate and apart from the regular monthly bill for service. The Company shall not, however, refuse or discontinue service for nonpayment of a dishonored check service charge imposed by the Company. Residential customers whose telephone services have been temporarily denied for nonpayment will continue to have access to 911 service (outgoing service only).
- G.** For purposes of paragraphs E. and F., "working day" means any day on which the Company's business office is open and the U.S. Mail is delivered.
- H.** Without notice in the event of customer use of equipment for a purpose other than that for which it is provided, or when its use interferes with or impairs or would interfere with or impair any other service rendered to the public by the Company, or in such manner as to adversely affect the Company's equipment or the Company's service to others.
- I.** Without notice in the event of tampering with the equipment furnished and owned by the Company.
- J.** Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the customer to make, at his own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.

2.6.2. Except as otherwise provided in section 2.6.1.J. above, in case of refusal to establish service, or whenever service is discontinued or terminated, the Company shall notify the applicant or customer in writing of the reason for such refusal, discontinuance, or termination of service. Upon such discontinuance or termination, the Customer shall be responsible for the payment of all charges due, which includes all charges due for the period service has been rendered plus any unexpired portion of an initial service period or applicable termination charges, or both.

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SECTION 2 – RULES AND REGULATIONS**2.6. REFUSAL, DISCONTINUANCE, OR TERMINATION OF SERVICE BY COMPANY (cont'd)**

- 2.6.3.** Service shall be initiated or restored when cause for refusal or discontinuance has been satisfactorily adjusted.
- 2.6.4.** The following shall not constitute sufficient cause for refusal of service to an applicant or customer:
- A.** Delinquency in payment for service by a previous occupant of the premises, unless the current applicant or customer occupied the premises at the time the delinquency occurred and the previous customer continues to occupy the premises and such previous occupant shall benefit from such new service.
 - B.** Delinquency in payment for service by a present occupant who was delinquent at another address and subsequently joined the household of the Customer in good standing.
 - C.** Delinquency in payment for separate telephone service of another Customer in the same residence.
 - D.** Failure to pay for business service at a different location and a different telephone number shall not constitute sufficient cause for refusal of residence service or vice versa.
 - E.** Failure to pay for a service rendered by the Company which is not regulated by the Commission.
 - F.** Failure to pay the bill of another customer as guarantor thereof.
 - G.** Failure to pay a dishonored check service charge imposed by the Company.
- 2.6.5.** When service has been discontinued for proper cause, the Company may charge a reasonable fee to defray the cost of restoring service as provided in Section 4 of this Price List.
- 2.6.6.** The Company reserves the right to cancel any contract for service with and to discontinue service to any person who uses or permits the use of obscene, profane, or grossly abusive language over or by means of the Company's facilities, and who, after reasonable notice fails, neglects, or refuses to cease and refrain from such practice or to prevent the same, and to remove its property from the premises of such person.

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SECTION 2 – RULES AND REGULATIONS

2.7. CUSTOMER BILLING

- 2.7.1. For billing of fixed charges, service is considered to be established upon the day in which the Company notifies the Customer of installation and testing of the Customer’s service.
- 2.7.2. Usage charges will be billed monthly in arrears. Customers will be billed for all usage accrued beginning immediately upon access to the service. Customers will be billed for usage occurring during their specific thirty (30) day billing cycle, which for purposes of computing charges shall be considered a month. The rates charged to a Customer will be the rates in effect on the first day of the Customer’s billing cycle.
- 2.7.3. Monthly charges will be billed in advance of service and reflect the rates in effect as of the date of the invoice. A Customer’s first invoice may contain charges from previous periods for service provided from the date of installation through the current invoice period.

2.8. CUSTOMER BILLING INQUIRIES

Any customer who has a question regarding his/her telephone bill may contact the Company’s Business Office at (407) 828-6600, located at 3100 Bonnet Creek Road, Lake Buena Vista, Florida, mailing address P.O. Box 22555, Lake Buena Vista, Florida 32830-2555. All requests for call credits due to bad connections, disconnections, wrong number dialed, etc. shall be made through the Company’s Business Office. In the event that the Company does not resolve an issue to the Customer’s satisfaction, the Customer may contact the Florida Public Service Commission at:

Florida Public Service Commission
 Capital Circle Office Center
 2540 Shumard Oak Circle
 Tallahassee, Florida 32399-0850
 (850) 413-6100

If written notice of a dispute as to charges is not received by the Company within 30 days of the date a bill is issued, such charges shall be deemed to be correct and binding on the Customer or End User.

2.9. 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. When a municipality or political subdivision of the state charges the Company any license, occupational, franchise, inspection, or other similar tax or fee, whether in a lump sum, or at a flat-rate, or based on receipts, or based on poles, wires, conduits, or other facilities, Customers receiving service within the municipality or political subdivision will be billed, insofar as practical, pro rata, the aggregate amount of such taxes and fees.

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SECTION 2 – RULES AND REGULATIONS**2.10. PAYMENT****2.10.1. Advance Payments**

- A. Unless otherwise agreed to by the Company and the Customer, an applicant for service or facilities may be required to pay in advance of installation an amount not to exceed applicable service connection, installation, or other nonrecurring charges plus charges for one (1) month of service. Where construction charges are applicable the payment thereof in advance may be required. The prepayment of services which are immediately available to the Customer does not constitute an advance payment for purposes of establishing credit.
- B. The amount of the advance payment is credited to the customer's account on the first bill rendered.

2.10.2. Payment for Service

- A. The Customer shall pay monthly in advance or on demand all charges for service and equipment and shall pay on demand all charges for long distance service. The Customer is responsible for payment of all charges for services furnished the Customer, including charges for services originated or charges accepted at the Customer's station.
- B. All bills are due and payable upon receipt. The total invoiced amount must be paid by the due date specified on the bill which is 15 days from the date of the bill.
- C. Bills that remain unpaid within 15 days of the date specified on the bill are subject to a Late Payment Charge equal to one and one half percent (1.5%) or the maximum lawful rate permitted within the State of Florida, whichever is lower, of the outstanding unpaid balance for each month or part of a month that the bill remains unpaid after the specified due date.
- D. Bills may be paid by mail to Smart City Telecom, P.O. Box 22555, Lake Buena Vista, Florida 32830-2555 or in person at the Company's Business Office located at 3100 Bonnet Creek Road, Lake Buena Vista, Florida, or at an agency authorized to receive such payment. Customer payments are considered prompt when received by the Company or its agent by the due date on the bill. All charges for service are payable only in United States currency. Payment may be made by cash, check, money order, cashier's check, credit card, or electronic funds transfer.
- E. Customer payment for service made by charges to commercial credit cards are subject to the terms and conditions of the issuing commercial credit card company and those of the Company's credit card processing agent. Customer payment for service made by cashier's checks are subject to the terms and conditions of the issuing financial institution.

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SECTION 2 – RULES AND REGULATIONS**2.10. PAYMENT (cont'd)****2.10.2. Payment for Service (cont'd)**

- F.** A Return Check Charge of \$20.00 or 5% (not to exceed \$100), whichever is greater, will apply whenever a check or draft presented for payment for service is not accepted by the institution on which it is written.
- G.** While bills for service shall not be considered delinquent prior to the expiration of 15 days from the date specified on the bill, the Company may demand immediate payment under the following circumstances:
1. Where service is terminated or abandoned.
 2. Where toll service is two (2) times greater than the Customer's average usage as reflected on the monthly bills for the three (3) months prior to the current bill, or in case of a new customer who has been receiving service for less than four (4) months, where the toll service is twice the estimated monthly toll service.
 3. Where the Company has reason to believe that a business Customer is about to go out of business or that bankruptcy is imminent for the Customer.
- H.** The Customer is responsible for payment of all appropriate charges for completed calls, services, and equipment. Any objection to billed charges should be promptly reported to the Company. Adjustments to Customers bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate.
- I.** Where any undercharge in billing of a Customer is the result of Company mistake, the Company may not backbill in excess of 12 months. Where overbilling of a Customer occurs, due either to Company or Customer error, no liability exists which will require the Company to pay any interest, dividend or other compensation on the amount overbilled.
- J.** A Customer's service may be terminated if service is not paid for by the thirtieth (30th) day past the billing date. When service has been disconnected for nonpayment, the service agreement is considered to have been terminated. Should service be suspended for nonpayment of charges, restoration will be made only as provided under "Restoration of Service" in Section 4 of this Price List. Nonpayment of the charge in 2.10.2.F. will not constitute sufficient cause for interruption or cancellation of service.

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SECTION 2 – RULES AND REGULATIONS**2.10. PAYMENT (cont'd)****2.10.2. Payment for Service (cont'd)**

- K.** In its discretion, the Company may restore or re-establish service which has been suspended or disconnected for nonpayment of charges, prior to payment of all charges due. Such restoration or re-establishment shall not be construed as a waiver of any rights to suspend or disconnect service for nonpayment of any such or other charges due and unpaid or for the violation of the provisions of this Price List; nor shall the failure to suspend or disconnect service for nonpayment of any past due account or accounts operate as a waiver or estoppel to suspend or disconnect service for non-payment of such account or of any other past due account.

2.11. INTERRUPTION OF SERVICE

- 2.11.1.** Credit allowances for interruptions of service which are not due to the Company's testing or adjusting, negligence or willful act of the Customer, or to the failure of channels, equipment, facilities or communications systems provided by the Customer, are subject to the general liability provisions set forth in Section 2.13. of this Price List. It shall be the obligation of the Customer or End User to notify the Company immediately of any interruption in service for which a credit allowance is desired by the Customer. Before giving such notice, the Customer or End User shall ascertain that the trouble is not being caused by any action or omission by the Customer within his/her control, or is not in wiring or equipment, if any, furnished by the Customer and connected to the Company's facilities. Credits will not be issued when an interruption or service deficiency is not reported to the Company or is caused by the failure of power, equipment or systems not provided by the Company.

- 2.11.2.** If service or facilities furnished by the Company are interrupted due to any cause other than the negligence or willful act of the Customer or the failure of the facilities provided by the Customer, a pro rata adjustment of the fixed monthly charges involved will be allowed, for the service and facilities rendered useless and inoperative by reason of the interruption during the time said interruption continues in excess of 24 hours from the time it is reported to or detected by the Company, except as otherwise specified in this Price List. The adjustment shall not be applicable for the time that the Company stands ready to repair the service and the Customer does not provide access to the Company for such restoration work.

2.12. RESPONSIBILITIES OF THE CUSTOMER

- 2.12.1.** The Customer is responsible for taking all necessary legal steps for interconnecting the Customer-provided terminal equipment or communications systems with Company facilities or services. The Customer shall secure all licenses, permits, rights-of-way and other arrangements necessary for interconnection.

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SECTION 2 – RULES AND REGULATIONS**2.12. RESPONSIBILITIES OF THE CUSTOMER (cont'd)**

2.12.2. The Customer shall ensure that the equipment and/or system is properly interfaced with carrier facilities or services, that the signals emitted into the Company network are of the proper mode, bandwidth, power and signal level for the intended use of the Customer and in compliance with the criteria set forth in this Price List, and that the signals do not damage equipment, injure personnel or degrade service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, the Company will permit such equipment to be connected with its channel without the use of protective interface devices.

2.12.3. If the Customer fails to maintain the equipment and/or system properly, with resulting imminent harm to Company equipment, personnel or the quality of service to other Customers, Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, Company may, upon written notice, terminate the Customer's service.

2.12.4. The Customer may not transfer or assign the use of service without the prior written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of service or facilities.

2.12.5. The Company offers no exclusion for specific services.

2.13. LIABILITY OF THE COMPANY**2.13.1. Service Irregularities**

The liability of the Company for damages arising out of service provided to its Customers such as from defects or failures in facilities furnished by the Company or mistakes, omissions, preemptions, interruptions, delays, errors, or defects in the provision of its services set forth herein or any portion of its services, occurring in the course of furnishing such facilities or services, and not caused by the negligence of the Customer, or of the Company in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision, commences upon activation of service and shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which such mistakes, omissions, interruptions, delays, errors or defects in the transmission or defect or failure in facilities or services occurs. For the purposes of computing such amount, a month is considered to have 30 days. In no event will the Company be responsible for consequential damages or lost profits suffered by a Customer or End User as a result of interrupted or unsatisfactory service.

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SECTION 2 – RULES AND REGULATIONS

2.13. LIABILITY OF THE COMPANY (cont'd)

2.13.2. Use of Facilities of Other Connecting Carriers

When suitable arrangements can be made, facilities of other connecting carriers may be used in conjunction with this Company's facilities in establishing connections to points not reached by this Company's facilities for the provision of service. Neither this Company nor any connecting carrier participating in a service shall be liable for any act or omission of any other company or companies, including, but not limited to, any LEC or Underlying Carrier furnishing a portion of such service. The Company is not liable for any act or omission of any other company or companies furnishing a portion of the service. No agents or employees of other carriers or companies shall be deemed to be agents or employees of the Company.

2.13.3. Indemnifying Agreement

The Company shall be indemnified and saved harmless by the Customer or End User against claims for libel, slander, or the infringement of copyrighting arising directly or indirectly out of or from the material, data, information or other content transmitted over the Company's channels or facilities or the use thereof; against claims for infringement of patents arising from combining or connecting Company furnished channels or facilities with apparatus and systems of the Customer; and against all other claims arising out of any act or omission of the Customer or End User in connection with any service, channels or facilities provided by the Company.

2.13.4. Defacement of Premises

The Company is not liable for any defacement of, or damage to, the premises of a Customer resulting from the furnishing of services or the attachment of instruments, equipment, apparatus and associated wiring furnished by the Company on such Customer's premises or by the installation or removal thereof, when such defacement or damage is not the result of negligence of the Company or the employees of the Company. No agents or employees of other participating carriers shall be deemed to be agents or employees of carrier without written authorization.

2.13.5. Period for the Presentation of Claims

The Company shall not be liable for damages or statutory penalties in any case where a claim is not presented in writing within 60 days after the alleged delinquency occurs.

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SECTION 2 – RULES AND REGULATIONS**2.13. LIABILITY OF THE COMPANY****2.13.6. Equipment in Explosive Atmospheres or Other Hazardous Locations**

- A. No liability shall attach to the Company for damages alleged to have arisen from the use of the Company's service and equipment in explosive atmospheres and the Company may refuse to provide, maintain or restore service in such atmospheres, which in its judgment are not suitable for the location of its service and facilities, unless such protective equipment or special device as may be available for use in such locations is provided by the Customer or End User.
- B. Where service is to be established at a location that would involve undue hazards to employees of the Company, the Customer or End User may be required to install and maintain equipment and facilities in a manner satisfactory to the Company, the remuneration for which is to be based on the conditions involved.
- C. The Company does not guarantee or make any warranty with respect to any equipment provided by it where such equipment is used in locations containing an atmosphere which is explosive, prone to fire, dangerous or otherwise unsuitable for such equipment. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or persons, for any personal injury or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of such equipment so used.

2.14. TELECOMMUNICATIONS ACCESS SYSTEM ACT OF 1991

In Order No. 24581, Docket No. 910496-TP, Telecommunications Access System Act of 1991, the Commission requires each local exchange telecommunications company to begin assessing and collecting a surcharge per access line per month on bills rendered on or after July 1, 1991, for remission to the administrator for deposit in the operational fund. Each local exchange telecommunications company shall remit moneys collected to the administrator. On August 15, 1991, each local exchange telecommunications company began remitting the moneys collected to the administrator on a monthly basis and in a manner as prescribed by the Commission. The administrator uses such moneys to cover costs incurred during the development of the telecommunications relay services and to establish and administer the specialized telecommunications devices system.

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SECTION 2 – RULES AND REGULATIONS**2.14. TELECOMMUNICATIONS ACCESS SYSTEM ACT OF 1991 (cont'd)**

The Commission requires all local exchange telecommunications companies to impose the monthly surcharge on all local exchange telecommunications company Customers on an individual access line basis, except that such surcharge shall not be imposed upon more than 25 basic telecommunications access lines per account bill rendered. The Commission is interpreting "account bill rendered" for purposes of determining the 25 access line limit using the methodology each local exchange company currently uses to define an individual account.

The surcharge will be itemized on the first bill rendered after July 1, 1991, at the time of the annual inventory statement and each time the surcharge is changed as well as any other time a completely itemized bill is rendered. However, the surcharge will be itemized no more often than the total bill is itemized.

2.15. PRICE LIST VS. CONTRACT

Should any of the terms and conditions of the Company's Price List be found to be inconsistent or conflict with any of those found in a fully executed contract between the Company and a Customer, then the terms and conditions of the executed contract will prevail over those of this Price List.

2.16. APPLICABLE LAW

This Price List shall be subject to and construed in accordance with Florida law.

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SECTION 3 – BASIC SERVICE DESCRIPTIONS AND RATES**3.1. GENERAL**

The Company offers certain residential, business, long distance, and other services to its Florida Customers.

3.2. LOCAL EXCHANGE SERVICE**3.2.1. General**

- A.** The Company's local exchange service enables Customers or End Users to:
1. Place or receive calls to any calling Station in the applicable local calling area;
 2. Access basic 911 Emergency Service if available in the Customer's or End User's area;
 3. Where available, place or receive calls to 800 telephone numbers;
 4. Access to the Florida Relay Service for hearing impaired; and
 5. Access to the operator.
- B.** Touch-tone calling service is provided for the origination of telephone calls. The Company is designed for the use of electronic equipment and touch-tone service and will only offer or connect with equipment which provides for 100% touch-tone calling. Only electronic switching equipment is contemplated in order to provide service of the latest technology to the telephone using public of the Company.
- C.** The rules, regulations and rates for service and facilities not specifically shown in this section are detailed in other sections of this Price List.

3.2.2. Local Calling Area

- A.** All types of local exchange service have local calling areas which are the areas that can be called on a flat-rate basis (no charge for individual calls), on a local coin call rate basis, or on a measured or message rate basis.
- B.** The rates specified herein, payable monthly in advance, entitle Customers to an unlimited number of local telephone messages to all stations serving exchanges in the applicable local calling area.

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SECTION 3 – BASIC SERVICE DESCRIPTIONS AND RATES
3.2. LOCAL EXCHANGE SERVICE (cont'd)**3.2.3. Monthly Exchange Rates****A. Residence and Business Main Service Rates**

For the classes of service here indicated where facilities are available, the following rates apply:

	<u>Monthly Rates</u>
1. Residence Main Flat-Rate Service	\$11.23
2. Business Main Flat-Rate Service	\$25.03
3. PBX Trunk Flat-Rate Service (inward, outward, two-way per trunk)	\$49.06
4. Key Main Flat-Rate Service	\$49.06

3.3. DIRECTORY ASSISTANCE SERVICE**3.3.1. General**

- A. The Company furnishes Directory Assistance Service for the purpose of aiding Customers in obtaining telephone numbers.
- B. The rates set forth following apply when Customers of the Company request assistance in determining and obtaining telephone numbers of other Customers or persons (1) who are located in the same local calling area; or (2) who are not located in the same local calling area or Home Numbering Plan Area (HNPA) as the requesting Customer's serving exchange.
- C. There will be no charge for local calling area Directory Assistance Service calls received from customers with a physical or mental impairment rendering them unable to use a telephone directory.
- D. Calls to Long Distance Directory Assistance are charged for at the appropriate rate.

3.3.2. Rates**A. Local Calling Area**

- 1. A charge of \$.35 is applicable for each call to Directory Assistance Service made by a Customer, except as noted above and pursuant to the following conditions.

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SECTION 3 – BASIC SERVICE DESCRIPTIONS AND RATES

3.3. DIRECTORY ASSISTANCE SERVICE (cont'd)

3.3.2. Rates (cont'd)

A. Local Calling Area (cont'd)

- 2. A Customer is allowed three (3) Directory Assistance Service calls per billing period per access line or PBX trunk without charge. Any Directory Assistance Service calls made by a Customer beyond the three (3) call allowance will be charged at the \$.35 rate.
- 3. A maximum of two (2) telephone numbers may be requested on each Directory Assistance Service call.

B. Outside the Local/Home Numbering Plan Area

- 1. A charge of \$.95 is applicable for each call to Directory Assistance Service.
- 2. A maximum of two (2) telephone numbers may be requested on each call.

C. For PATS Providers

- A. A charge of \$.35 is applicable for each call to Directory Assistance Service.

3.4. OPERATOR ASSISTED LOCAL CALLS

3.4.1. Local dial calls must be dialed and completed without the assistance of a Company operator and must be billed to the originating telephone when a charge is applicable. Otherwise, operator assistance charges will apply to the call, in addition to the local dial rate.

3.4.2. The following service charges apply in addition to the local dial rate applicable for operator assisted local calls from Company-owned coin telephones. The service charges are also applicable to operator assisted local calls from customer-owned pay telephones.

- A. Station-to-station customer dialed calling card (credit card) local call \$.80
- B. Station-to-station operator assisted sent-paid, collect, third number, and non-customer dialed credit card calls \$1.75
- C. Person-to-person operator assisted local call \$3.25

3.4.3. In addition to the service charge, all local coin calls utilizing operator handled services will be at the local coin rate.

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SECTION 3 – BASIC SERVICE DESCRIPTIONS AND RATES

3.4. OPERATOR ASSISTED LOCAL CALLS (cont'd)

3.4.4. The following Operator Assisted Local Calls are exempted from the service charge:

- A. Calls to designated Company numbers for official telephone business.
- B. Emergency calls to recognized authorized civil agencies.
- C. Those cases where a Company operator provides assistance to:
 - 1. Re-establish a call which has been interrupted after the called number has been reached.
 - 2. Reach the called telephone number where facility problems prevent customer dial completion.
 - 3. Place a non-coin, sent paid call for a calling party who identifies himself as being handicapped and unable to dial the call because of his handicap.

3.5. EMERGENCY SERVICES (ENHANCED 911)

Allows Customers or End Users to reach appropriate emergency services including police, fire and medical services. Enhanced 911 has the ability to selectively route an emergency call to the primary E911 provider so that it reaches the correct emergency service located closest to the caller. In addition, Customer's address and telephone information will be provided to the primary E911 provider for display at the Public Service Answering Point (PSAP).

3.6. SPECIAL PROMOTIONS

The Company may from time to time offer special promotions of new or existing services or products to Customers or End Users temporarily waiving certain recurring and/or non-recurring charges for a limited period. These promotions will be offered on a completely nondiscriminatory basis with each Customer in the classification of service and area for which the promotion is offered having an equal opportunity for participation. These promotions will be approved by the Florida Public Service Commission and will have specific starting and ending dates and under no circumstance will run longer than 90 days in any 12 month period.

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SECTION 3 – BASIC SERVICE DESCRIPTIONS AND RATES**3.7. SERVICES BASED UPON DISTANCE**

When charges for a service are specified based upon distance, the following applies:

3.7.1. Timing of Calls

The Customer's usage charge is based on actual usage of the Company's network. The time when connection is established, as provided herein, determined in accordance with the time observed at the location of the rate center of the calling station, determines the rate schedule applied. Timing or usage begins when the called station is answered (i.e. when the called party picks up the receiver) and two-way communications, often referred to as "conversation time", is possible. When the called station is answered or the called party picks up is determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to sixty (60) seconds of ring is allowed before it is billed as usage of the network. Chargeable time ends when either party (i.e. the called party or the calling party) hangs up, whichever occurs first, thereby releasing the network connection. If the called station "hangs up but the calling station does not, chargeable time end when the network connection is released either by automatic timing equipment in the telephone network or by the operator.

3.7.2. Billing Increments

For usage charges, the Company bills for an initial one (1) minute minimum increment with additional minute increments thereafter. The Company does not bill Customers for calls that are not completed (e.g. busy numbers, no answer, etc.) or for time lost because of faults or defects in the service.

3.7.3. Rounding

For usage charges, the Company rounds the length of the call up to the nearest minute unless otherwise specified.

3.7.4. Calculation of Distance**A. General**

The distance between two points is measured as the airline distance between the rate centers associated with the originating and terminating telephone lines or points of the call. The rate center is a set of vertical and horizontal geographic coordinates, as referenced in the Local Exchange Routing Guide (LERG), associated with each NPA-NXX combination (where NPA is the area code and NXX is the first three digits of a seven (7) digit telephone number). Where there is no telephone number associated with an access line on the Company's network (such as dedicated 800 or WATS access line), the Company will apply the rate center of the Customer's main billing telephone number. The distance between two rate centers is the airline mileage computed as explained below.

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SECTION 3 – BASIC SERVICE DESCRIPTIONS AND RATES**3.7. SERVICES BASED UPON DISTANCE (cont'd)****3.7.4. Calculation of Distance (cont'd)****B. Determination of Airline Mileages**

1. Obtain the "V" (vertical) and "H" (horizontal) coordinates for each rate center.
2. Compute the difference between the "V" coordinates of the two rate centers, and the difference between the two "H" coordinates.
3. Square each difference obtained in the step above.
4. Add the squares of the "V" difference and the "H" difference obtained in the step above.
5. Divide the sum of the squares by 10. Round to the next higher whole number if any fraction is obtained.
6. Obtain the square root of the whole number result obtained above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.

3.7.5. Determining Applicable Rate in Effect

For the initial minute, the rate applicable at the start of chargeable time at the calling station applies. For additional minutes, the rate applicable is that rate which is in effect at the calling station when the additional minute(s) begin. That is, if chargeable time begins during the Day Period, the Day Rate applies to the initial minute and to any additional minutes that the call continues during the rate period. If the call continues into a different rate period, the appropriate rates from that period apply to any additional minutes occurring in that rate period. If an additional minute is split between two rate periods, the rate period applicable at the start of the minute applies to the entire minute.

3.7.6. Minimum Call Completion Rate

For long distance services, Customers can expect a minimum call completion rate of not less than ninety nine percent (99%) during peak use periods for all Feature Group D services. The call completion rate is calculated as the number of calls completed (including calls completed to a busy line or to a line which remains unanswered by the called party) divided by the number of calls attempted.

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SECTION 3 – BASIC SERVICE DESCRIPTIONS AND RATES
3.8. TELECOMMUNICATIONS RELAY SERVICE

When billing for interstate tolls calls received from the Telecommunications Relay Service, the Company will discount said calls by fifty percent (50%) off of the otherwise applicable rate for a voice non-relay service call, except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call will be will be discounted sixty percent (60%) off of the otherwise applicable rate for a voice non-relay service call. These discounts apply only to time sensitive elements of a charge for the call and shall not apply to per call charges such as a credit card surcharge.

3.9. DISCOUNTS FOR HEARING IMPAIRED CUSTOMERS

A telephone toll message which is communicated using a telecommunications device for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDD's for communicating with hearing or speech impaired persons will receive, upon request, credit on charges for certain intrastate toll calls placed between TDDs. The discounts apply only to time-sensitive elements of a charge for the call. Discounts do not apply to surcharges, such as credit card surcharges, or per call add-on charges for operator services when the call is placed by a method that would normally incur the surcharge.

3.10 DIRECTORY LISTINGS**3.10.1. General**

For each Customer of local exchange service, the Company shall arrange for the listing of the Customer's main billing telephone number in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for additional listings, with charges applying per listing or per number, as specified below.

3.10.2. Rates

- A. Monthly recurring charges associated with Directory Listings, per listing or per number, residential or business, are as follows:

1.	Primary Listing	No Charge
2.	Additional Listing	\$.25
3.	Non-Listed Number	\$.75
4.	Non-Published Number	\$1.50

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SECTION 4 - SERVICE CONNECTION CHARGES

4.1. GENERAL

4.1.1. Service Connection Charges

A service connection charge represents the charge for one or more of the following work functions necessary to perform a service connection, move or change.

- A. Service Ordering Charge (Primary and Secondary) - The charge appropriate for receiving and recording information and/or taking action in connection with a customer or applicant and processing the necessary data.
- B. Access Line Charge - Work associated with the line extending from the serving central office to the customer's demarcation point. Includes, but is not limited to, central office connections, cable cross connections, and connecting and disconnecting the drop block and wires.
- C. Premises Work Charge - Includes work performed on the customer's premises other than work required to establish network access.
- D. Premises Visit Charge - The charge that applies for a visit to the customer's premises for customer-requested rearrangement of drop wire, protector and/or telephone Network Interface Device (NID).
- E. Record Change Charge - The charge appropriate for adding or changing directory listings at the customer's request.

4.1.2. Administrative Changes

Service connection charges do not apply for the substitution of the name of another member of the family for that already listed in the directory, nor for correction in the addresses in the directory.

4.2. SCHEDULE OF CHARGES

4.2.1. Service Ordering Charges, each order

- A. Primary, associated with access line

Residence	\$ 9.00
Business	\$12.50
- B. Secondary, for moving or changing existing service, or adding new or additional service other than access lines

Residence	\$ 4.50
Business	\$ 6.00

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SECTION 4 - SERVICE CONNECTION CHARGES**4.2. SCHEDULE OF CHARGES (cont'd)****4.2.2. Access Line Charge, each line**

Residence	\$10.00
Business	\$10.00

4.2.3. Premises Work Charge

Labor, per 1/4 hour or fraction thereof

Residence/Business	\$12.00
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4.2.4. Restoration of Service

Residence/Business	\$19.00
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- A. In the event service is temporarily suspended at the Customer's request, such service will be restored at the charges specified above.
- B. At its discretion, the Company may restore or re-establish service which has been suspended or discontinued for nonpayment of charges due. In the event service is temporarily interrupted for nonpayment, such service will be restored upon payment of charges due or, at the discretion of the Company, a substantial portion thereof, and in addition, charges as specified above will be applicable to restore such services.

4.2.5. Premises Visit Charge

Residence/Business	\$10.00
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4.2.6. Record Change Charge

Residence/Business	\$10.00
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4.2.7. Telephone Number Change Charge, including service ordering charge, each

Residence/Business	\$ 5.00
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SECTION 4 - SERVICE CONNECTION CHARGES**4.3. APPLICATION OF SERVICE CONNECTION CHARGES****4.3.1. General****A. Service Ordering Charge**

1. Applies per customer request for work performed by the Company to be completed for the same account at the same premises, on the same date.
2. Where more than one account is located at the same premises, work each individual account will be considered separately.

B. Access Line Charge

Applies for work including but not limited to:

1. Making and changing connections in the central office,
2. Making and changing connections in distribution facilities between the central office and the customer's demarcation point, including necessary cross connections and line transfers.

C. Premises Work Charge

Applies to work performed on the customer premises for customer request rearrangement of the drop wire, protector and/or telephone Network Interface Device (NID).

D. Premises Visit Charge

1. Applicable only for a visit to the customer's premises to relocate or rearrange the drop wire, protector and/or telephone Network Interface Device (NID) at the customer's request.
2. When more than one visit is necessary to complete the work due to Company reasons, only one Premises Visit Charge applies.

E. Record Change Charge

Applies for changing listings at the customer's request. Does not apply for corrections of name or address or for listings changed for Company reasons.

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SECTION 4 - SERVICE CONNECTION CHARGES**4.3. APPLICATION OF SERVICE CONNECTION CHARGES (cont'd)****4.3.1. General (cont'd)**

- F.** The following services are subject to service connection charges:
1. All classes of access line service
 2. PBX Trunks
- G.** Service connection charges do not apply to telephone service previously provided over a Government system where there is no break in the continuity of service.
- H.** When service is re-established at a location which has been destroyed by fire, flood, or wind, or made untenable by fire, flood, or wind, service connection charges do not apply when the service is reestablished within a reasonable time. If the Customer desires service at a new location for a temporary period, the service connection charge will apply covering the establishment of service at the temporary location, but no service connection charge will apply when service is re-established at the former location. If the Customer desires service established at a new and permanent location, then the service connection charges will apply.
- NOTE:** Changes in location of existing access termination to points outside the premises occupied by the Customer are considered as new service connections at the new location.
- I.** In all cases where construction or installation charges apply, such charges are in addition to the prescribed service connection charges.
- J.** Except as provided in this paragraph, the service connection charges are required to be paid when the desired work functions are requested. For existing Customers, additional service may be established in advance of payment of service connection charges. Service may be established in advance of payment of service connection charges for additions to the service provided for the use of departments, administrations, or agencies of the Federal, State, County, or Municipal Governments. The Company shall permit residential customers to pay service connection charges in equal monthly installments over a period of at least three (3) months for a service fee of \$1.00 per month. The Company shall inform all persons applying for residential service of the availability of its installment plan at the time of initial contact, said information to include, but not be limited to, information on rate amounts and installment time periods and procedures.

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SECTION 4 - SERVICE CONNECTION CHARGES**4.3. APPLICATION OF SERVICE CONNECTION CHARGES (cont'd)****4.3.1. General (cont'd)**

- K.** Service connection charges do not apply in connection with Company-initiated changes in class or grade of service.
- L.** When the service desired requires more than one order, premises work, or access line work function, the total charge is the sum of the separate charges for each function required except as provided elsewhere in this Price List.
- M.** The service connection charges specified in this Price List contemplate work being performed during regular scheduled working hours. Work performed during non-scheduled hours will necessitate the Customer paying an additional charge on costs incurred for such nonscheduled work.
- N.** A Record Change Charge will be appropriate for changes from residence to business service. From business to residence service, a Secondary Service Ordering Charge will apply if a telephone number change is required.

4.3.2. Service Connection Charges for Moves and Changes**A. General**

- 1.** Charges for moves and changes are intended to cover, in part, the expenses incurred by the Telephone Company in meeting the requirement of individual Customers as to Moves and Changes in telephone service.
- 2.** Charges for Moves and Changes apply to each class of service separately, except in those cases where the charge is based on the estimated cost of making the Move, or Change required. In the latter case, the charge is based on moving, or changing the facilities and not on each separate unit.

B. Moves

- 1.** A "Move" is a transfer of telephone service from one location to another where there is no interruption of the service other than is incident to the work involved. In addition to the applicable service connection charge(s), a charge based on the actual cost of labor and materials will apply.
- 2.** Transfers of telephone service involving a break in the continuity of service, and resulting in cessation of local service charges, are not classified as Moves, but as new service connections and are provided by the payment of the proper service connection charge and termination charges, where applicable.

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SECTION 4 - SERVICE CONNECTION CHARGES**4.3. APPLICATION OF SERVICE CONNECTION CHARGES (cont'd)****4.3.2. Service Connection Charges for Moves and Changes (cont'd)****C. Changes**

1. A "Change" is a substitution of a different type of telephone service or a rearrangement of service or a change of telephone made at the request of a Customer.
2. For rearrangement of drop wire, protector and/or telephone Network Interface Device (NID), the secondary Service Ordering Charge, Premises Visit Charge and the Premises Work charge applicable to the access line or PBX trunk, as appropriate, will apply.
3. For all other Changes, in addition to the applicable service connection charge(s), a charge based on the actual cost of labor and materials will apply.

D. Charges for Moves and Changes do not apply to:

1. Access line for which no exchange service charges apply whether installed in offices or residences or residences of Company officials or employees.
2. Moves or Changes required for the proper maintenance of service.
3. Moves or Changes made at the time of a change in the class of service, provided such Move or Change is necessary because of the change in class of service.
4. Changes in telephone number made where, in the judgment of the Company, it is necessary for continuation of satisfactory service.
5. Changes made at the initiative of the Company.

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