

ENGLISH

Budget Phone 1/09

CUSTOMER SERVICE AGREEMENT

The Prepaid Telephone Service Application on the reverse side including the New Order/LOA and Letter of Agent together with this Customer Service Agreement (collectively "Agreement") constitute the entire agreement between Budget Phone, Inc. ("Company") and the person whose name appears on the reverse side of this document ("Customer") for prepaid local telephone service and unlimited long distance service as restricted herein ("Service") on the terms and conditions set forth in this Agreement.

1. By using Budget Phone service, the Customer acknowledges and agrees that he has read this Agreement in its entirety or had this Agreement read to him and that he fully understands and agrees to the terms and conditions of this Agreement.
2. Customer requests that Company establish Service in his residence at the address stated on the reverse side of this page. Customer understands that any questions about Service, including procedures for removal of carrier blocks, shall be directed to the Company at the address shown below or by calling the toll-free number shown below. Company shall not be liable for any damages whatsoever associated with or arising from Service or for any act or omission of any other company furnishing services, facilities or equipment to Customer in connection with Service. Customer acknowledges that features and packages vary by market and that Company reserves the right, at its sole discretion, to modify or substitute services offered.
3. Customer understands and agrees that Company is agreeing to provide basic local exchange service and certain long distance service on a prepaid basis only and that subscription requires the use of blocking (including but not limited to, toll restriction, collect and 3rd party blocking, 0+/- blocking, directory assistance blocking, and blocking of pay-per-use services) in lieu of credit checks and/or deposits. Customer acknowledges that blocking does not relieve the Customer of responsibility for charges associated with blocked services and agrees to promptly pay for charges that accrue for the use of these services. Customer acknowledges and agrees that long distance is for residential voice telephone service within the continental United States only and excludes chat rooms, telemarketing, commercial, facsimile (commercial), resale, dial-up or DSL internet, automated dialing, 900 numbers, special interest lines, and any other use deemed non-residential by the Company. For unlimited long distance service, Company has determined that use by Customer of more than 2000 long distance minutes per billing cycle is inconsistent with residential usage and shall be a prohibited use ("Prohibited Use"). LD250 includes 250 domestic long distance minutes. Each active account will be provisioned with 60 minutes of domestic long distance per bill cycle at no charge. Long distance services are accessed via a toll free phone number. Long Distance usage will be restricted on accounts that are not paid in full by their due date. All taxes, fees, and other applicable charges levied by the Company or governmental agency shall be the responsibility of the Customer. Customer voluntarily waives the inclusion of usage details ("detail billing") with their monthly bill. Customer understands and agrees that they may contact the Company, at the number found below, and request a copy of usage details and that provision of usage details may involve a charge.
4. Customer agrees to prepay for the first month's Service including but not limited to monthly service fee, optional service fees and applicable taxes.
5. If customer wishes to receive Service after the first month, Customer agrees to prepay an amount equal to one month's billing, which includes all services contracted for by the Customer at the time of application, taxes, fees, and charges. Taxes, fees, and charges as well as charges for Optional Services will be itemized separately on Customers monthly bill.
6. If applicable, the Customer agrees to pay an Activation/Processing Fee ("Activation Fee") as part of the First Month's Service Fee. The Activation Fee is fully refundable to Customer if the company is unable to provide service to the Network Interface ("Demarcation Point"). Customer understands that all due dates are estimated and that all telephone numbers are assigned and that both are subject to change. After the company processes the application, the Activation fee is non-refundable. Customer must submit cancellation request at least 24 hours before connection date. No portions of the initial or subsequent payments are refundable once service is established to the Demarcation Point. Customer understands and agrees that any repairs past the demarcation point are the responsibility of the customer, which include, but is not limited to, wiring from the demarcation point to the customers dwelling, inside wiring, jacks, and telephone equipment.
7. Customer will be billed monthly for Service to be provided by Company during the following month. The bill will be mailed to Customer at least ten (10) days prior to the date stated on the bill. Customer agrees to pay his monthly bill to Company's Agent store where Service was originally ordered, unless Company advises Customer to make payment to another Company Agent at another location.
8. Customer shall indemnify, defend and hold harmless Company from and against any claim, loss or damage (including attorney's fees and costs) arising from Customer's use of Service, including but not limited to any claims for libel, slander, invasion of privacy, or infringement of copyright arising from Customer's communications and for any damages or losses (including attorney's fees and costs) incurred because of the negligence or malfeasance of Customer or due to the failure of malfunction of any customer - provided equipment or facilities.
9. The maximum amount of liability of Company for damages arising out of the provision of Service by Company shall not exceed an amount equal to the proportionate charge to Customer during any period of interruption of Service. Any interruption claim shall begin when the Customer reports the interruption to Budget Phone's Customer Care Department and end when service is restored to the demarcation point. Credits for interruptions that are reported during business and non-business hours are calculated in the same manner.
10. Customer or Company may terminate any or all of Service on thirty (30) days written or verbal notice. Customer shall be liable on a pro-rata basis for Service until Customer is actually off-line and Service is terminated.
11. Notwithstanding the provision of paragraph 10., above, Customer agrees that Company has a right to terminate Service immediately with or without notice if Customer fails to pay any charges or fees or taxes due Company or uses Service for a Prohibited Use (see paragraph 3, above).
12. Budget Phone, in its sole discretion, has the right to update or change the above terms and conditions without notice.