

TITLE SHEET

ALASKA TELECOMMUNICATIONS TARIFF

This tariff applies to interexchange services furnished by Crexendo Business Solutions, Inc. throughout the State of Alaska. This tariff is on file with the Regulatory Commission of Alaska and at the Company's office at 1615 South 52nd Street, Tempe, Arizona 85281. Copies may be inspected during normal business hours, or may be accessed online at www.crexendo.net/tariffs.

Tariff Advice No. 1

Effective:

Issued By: Crexendo Business Solutions, Inc.

By: Jeff Korn Title: Chief Legal Officer

CHECK SHEET

Sheets 1 through 29 inclusive of this tariff 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 tariff and are currently in effect as of the date on the bottom of this page.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	19	Original
2	Original	20	Original
3	Original	21	Original
4	Original	22	Original
5	Original	23	Original
6	Original	24	Original
7	Original	25	Original
8	Original	26	Original
9	Original	27	Original
10	Original	28	Original
11	Original	29	Original
12	Original		
13	Original		
14	Original		
15	Original		
16	Original		
17	Original		
18	Original		

* indicates new or revised sheet with this filing

Tariff Advice No. 1

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TABLE OF CONTENTS

Title Sheet	1
Check Sheet	2
Table of Contents	3
Explanation of Symbols	4
Tariff Format	5
SECTION 1 Technical Terms and Abbreviations	6
SECTION 2 Rules and Regulations	10
2.1. Application of Tariff	10
2.2. Interconnection with Other Common Carriers	10
2.3. Shortage of Facilities	10
2.4. Uses of Services	10
2.5. Liability of the Company	11
2.6. Assignment	13
2.7. Responsibilities of the Customer	13
2.8. Responsibilities of Authorized Users	15
2.9. Termination or Interruption of Services	16
2.10. Payment for Service	18
2.11. Deposits	19
2.12. Billing Entity Conditions	19
2.13. Discontinuation of Services	20
2.14. Right to Backbill for Improper Use of the Company's Service(s)	20
2.15. Minimum Service Period	20
SECTION 3 Description of Services	21
3.1. Service Offerings	21
3.2. Billing Periods	23
3.3. Timing of Calls	23
3.4. Minimum Call Completion Rate	24
3.5. Uncompleted Calls	24
3.6. Calculation of Distance	24
3.7. Customer Complaints and/or Billing Disputes	25
SECTION 4 Rates and Charges	26

Tariff Advice No. 1

Effective:

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EXPLANATION OF SYMBOLS

The following are the only symbols used for the purposes indicated below:

- C - To denote a changed condition or regulation
- D - To denote a discontinued rate, regulation, or condition
- I - To denote an increase
- L - To denote that material has been relocated from or to another sheet or place in the tariff with no change in text, rate, rule, or condition
- N - To denote a new rate, regulation, condition, or sheet
- S - To denote reissued matter
- R - To denote a reduction
- T - To denote a change in text for clarification

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TARIFF 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 tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 10 and 11 would be 10.1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet revision on file with the APUC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc., the APUC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. 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 tariff filing is made with the APUC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, 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 this page if there are only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the APUC.

Tariff Advice No. 1

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - A circuit which connects the calling customer's location to an interexchange switching center.

Access Code - A numeric code that, when dialed, connects the caller to the provider of services associated with that sequence

Authorization Number - A four to twelve digit security number, one or more of which are available to a customer to enable him/her to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the customer for billing purposes. All authorization codes shall be the sole property of the Company and no Customer shall have any property or other right or interest in the use of any particular authorization code.

Authorized User - A user who is a customer, or a person authorized by a customer that uses the Company's services. An Authorized User is responsible for compliance with this tariff.

Billed Party - The person or entity responsible for payment for use of the Company 's service(s).

Called Station - The termination point of a call (i.e. the called number).

Calling Station - The origination point of a call (i.e. the calling number).

Carrier - Crexendo Business Solutions, Inc.

Central Office - A Local Exchange Carrier switching system where Local Exchange Carrier customer station loops are terminated for purposes of interconnection to each other and to trunks.

Channel - A path for electrical transmission between two or more points, the path having a band width designed to carry voice grade transmission.

Common Carrier - A company or entity providing telecommunications services to the public.

Company - Crexendo Business Solutions, Inc.

Credit Card Calls (Calling Card Calls) - A call for which charges are billed not to the originating telephone number, but to a credit card, such as Visa or Master Card, or to a LEC or interexchange carrier calling card, including calling cards issued by the Company.

Tariff Advice No. 1

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Continued)

Customer - Any person, firm, partnership, association, joint stock company, trust, corporation, governmental entity or any other entity ordering service, that is responsible for payment of charges and for compliance with this tariff.

Customer Dialed Calling Card Call - A call that is billed to a Calling Card that does not require intervention by an attended operator position to complete.

Customer Provided Equipment - Telecommunications equipment provided by a customer or authorized user used to originate calls using the Company's service.

Day - From 8:00 AM up to but not including 5:00 PM local time Monday through Friday.

Dedicated Line Service - A service where the Customer is connected to Carrier's network with a private line, into machine trunk or high capacity T-1 circuit.

Dial-up - A method of using Carrier where a Customer dials 950-xxxx, enters a code and places a call.

Direct Dialed Call - An intrastate telephone call that is automatically completed and billed to the telephone number from which the call originated without the assistance of a live or automated operator. This includes calls forwarded by call forwarding equipment.

Evening - From 5:00 PM up to but not including 11:00 PM local time Sunday through Friday.

Exchange - A geographic area established by the tariff of Local Exchange Carriers for the administration of communications service in a specified area that usually embraces a city, town or village and its environs. It consists of one or more Central Offices together with the associated facilities used in furnishing communications service within that area.

FCC - The Federal Communication Commission.

Local Exchange Carrier (LEC) - A telephone company utility which provides local telecommunications services to a specific geographical area for business and residential customers.

Night/Weekend - From 11:00 PM up to but not including 8:00 AM Sunday through Friday, and 8:00 AM Saturday up to but not including 5:00 PM Sunday.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Continued)

Non-recurring Charges - Non-recurring charges are one-time charges that apply for a specific work activity (i.e., installation or change to an existing service). The types of non-recurring charges that apply for Switched Service are: installation of service and service rearrangements.

One-Plus - A method of accessing service where a Customer selects the Company as an equal access provider of long distance.

Other Common Carrier - A common carrier, other than the Company, providing intrastate communications service(s) to the public.

Personal Identification Number (PIN) - A numeric code, one or more of which may be assigned to a Customer, to enable the Company to identify the origin of the service user for security and/or billing purposes. All PIN codes shall be the sole property of the Company and no Customer shall have any property or other right or interest in the use of any particular PIN code.

Point of Presence - The site(s) where the Company provides a network interface with facilities provided by the Other Common Carrier, Local Exchange Carriers or Customers for Access to the Company's network configuration.

POTS - Plain Old Telephone Service. Basic service supplying standard single line access to the public switched network.

Premises - A building or buildings on contiguous property (except railroad rights-of-way, etc.) not separated by a public highway.

Project Code - A two to twelve digit number a Customer dials when using the Carrier switch to provide enhanced accounting and billing features.

Subscriber - The person or legal entity which enters into an arrangement for the Company's telecommunications services.

Switched Service - A network that uses SCAN and/or CCSA type common control switching, connecting the calling party to the called party.

T-1 Service - A method of using Carrier where access is provided by installing a high capacity circuit from Carrier to Customer.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Continued)

Uncompleted Call - Any call where the communication path between the calling and the called station is not established (i.e., busy, no answer, etc.).

United States - The forty-eight (48) contiguous states and the District of Columbia, Hawaii, Alaska, Puerto Rico, the U. S. Virgin Islands, as well as the off-shore areas outside the boundaries of the coastal states of the forty-eight contiguous states to the extent that such areas appertain to and are subject to the jurisdiction and control of the United States.

User - The person at the Subscriber's location who actually places the call through the Company's service.

Wats Access Line (WAL) - A method of using Carrier where access is provided by installing a special line that is a partially switched and partially dedicated access line.

Tariff Advice No. 1

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SECTION 2 - RULES AND REGULATIONS**2.1. Application of Tariff**

This tariff contains the regulations and rates applicable to the provision of intrastate interexchange services by Crexendo Business Solutions, Inc. (Company) between points within the State of Alaska as specified in this tariff. Service is furnished subject to the availability of facilities and subject to transmission, atmospheric and like conditions.

All terms, conditions and limitations of liability contained in this tariff apply to all Alaska intrastate services provided by the Company, including those where charges are established pursuant to contract, unless the contract explicitly provides otherwise.

2.2. Interconnection with Other Common Carriers

The Company reserves the right to interconnect its services with those of any Other Common Carrier, Local Exchange Carrier, or alternate access provider of its election, and to utilize such services concurrently with its own facilities for the provision of Service offered in this tariff.

Interconnection with the facilities or services of other Carriers shall be under the applicable terms and conditions of the Company's tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting Customer-provided terminal equipment or communications systems with Carrier's facilities. Customer shall secure all licenses, permits, right-of-way, and other arrangements necessary for such interconnection.

2.3. Shortage of Facilities

All service is subject to the availability of suitable facilities. The Company reserves the right to limit the length of communications or to discontinue furnishing service when necessary because of the lack of satellite or other transmission medium capacity or due to any causes beyond its control.

2.4. Uses of Services

2.4.1. Customers may only use the services provided under this tariff in a manner consistent with the terms of this tariff, applicable laws, and all governmental authorities having jurisdiction over the service.

2.4.2. Services provided in this tariff shall not be used for unlawful purposes.

Tariff Advice No. 1

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SECTION 2 - RULES AND REGULATIONS (Continued)

2.4.3. The use of the Company's Service(s) without payment for Service or attempting to avoid payment for Service(s) by fraudulent means or devices, schemes, false or invalid numbers of false calling or credit cards is prohibited.

2.5. Liability of the Company

2.5.1. Except as stated in Section 2.5., the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights or privileges contemplated in this tariff. This tariff does not limit the liability of the Company for gross negligence or willful misconduct. In any action between the parties to enforce any provision of this tariff, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.

2.5.2 The Company will not disclaim liability for its own gross negligence or willful misconduct;

2.5.3 Inclusion of a limitation of liability provision in the Company's online tariff does not prevent a court of competent jurisdiction from:

(A) determining the validity of the limitation of liability provision, or of any exculpatory clause, under applicable law; or

(B) adjudicating negligence and consequential damage claims.

2.5.2. The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid the Carrier by the Customer for the specific services in the month in which the event giving rise to the liability occurred. No action or proceeding against the Carrier shall be commenced more than one year after the event giving rise to the liability occurred. However, any mistake, omission, interruption, delay, error, or defect in transmission or Service(s) that are caused by or contributed to by the negligence or willful act of the Customer, or which arise from the use of Customer-Provided Facilities or equipment shall not result in any liability of the Company.

2.5.3. THE COMPANY DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE SERVICES, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

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SECTION 2 - RULES AND REGULATIONS (Continued)**2.5. Liability of the Company (Continued)**

- 2.5.4. The Company is not liable for any act, omission or negligence of any Local Exchange Carrier or other provider whose facilities are used concurrently in furnishing any portion of the Service(s) received by Customer, or for the unavailability of or any delays in the furnishing of any Service(s) or facilities that are provided by any Local Exchange Carrier. Should the Company employ the service of any Other Common Carrier in furnishing the Services provided to Customer, the Company's liability shall be limited according to the provisions of Section 2.5.2. above and elsewhere in this tariff.
- 2.5.5. The Company shall not be liable for any failure of performance due to causes beyond its control, including but not limited to fire, flood, or other catastrophes; Acts of God; atmospheric conditions or other phenomena of nature; federal, state or local governments having jurisdiction over the Company or the Services provided within this tariff; national emergencies; civil disorder, insurrections, riots, wars, strikes, lockouts, work stoppages, or other labor problems or regulations established or actions taken by any court or government agency having jurisdiction over the Company.
- 2.5.6. The Company shall be indemnified and held harmless by the Customer and Authorized User from and against all loss, liability, damage, and expense, including reasonable attorney's fees and court costs, due to:
- (A) Claims for libel, slander, infringement of copyright or unauthorized use of any trade mark, trade name or service mark arising out of the material, data, information, or other content over the Carrier's facilities.
 - (B) Claims for patent infringement arising from combining or connecting the Carrier's facilities with apparatus and systems of the Customer.
 - (C) All other claims arising out of any act or omission of the customer in connection with any service or facilities provided by the Carrier.
- 2.5.7. The Company shall not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment.

Tariff Advice No. 1

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SECTION 2 - RULES AND REGULATIONS (Continued)**2.5. Liability of the Company (Continued)**

- 2.5.8. Where Customer-provided equipment is connected to service furnished pursuant to this tariff, the responsibility of the Company shall be limited to the maintenance and operation of such services in the proper manner; subject to this responsibility, the Company shall not be responsible for the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; or the reception of signals by Customer-provided equipment; or network control signaling where such signaling is performed by Customer-provided network control signaling equipment.
- 2.5.9. Under no circumstances whatsoever shall the Company or its officers, directors, agents, or employees be liable for any indirect, incidental, special, or consequential damages.

2.6. Assignment

Customer shall not assign or transfer the service or any rights associated with the service except with prior written consent of the Company. The Company may at the Company discretion, permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated access services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this tariff will apply.

2.7. Responsibilities of the Customer

- 2.7.1. The Customer is responsible for placing any necessary orders, and for complying with tariff Regulations, and for ensuring that Authorized users comply with tariff regulations. The Customer is also responsible for the payment of charges for calls originated at the Customer's premises. This includes payment for calls or services originated at the Customer's number(s); accepted at the Customer's number(s) (i.e., collect calls); billed to the Customer's number via Third Number Billing if the Customer is found to be responsible for such call or service, the use of a Calling Card, the use of a Company assigned Special Billing Number and incurred at the specific request of the Customer.
- 2.7.2. The Customer is responsible for charges incurred for special construction and/or special facilities that the Customer requests and which are ordered by the Company on the Customer's behalf.
- 2.7.3. If required for the provision of the Company's Services, the Customer must provide any equipment space, supporting structure, conduit, and electrical power without charge to the Company.

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SECTION 2 - RULES AND REGULATIONS (Continued)**2.7. Responsibilities of the Customer (Continued)**

- 2.7.4. The Customer is responsible for arranging access to its premises at times mutually acceptable to the Customer and the Company when required for the Company personnel to install, repair, maintain, program, inspect, or remove equipment associated with the provision of the Company's Service(s).
- 2.7.5. The Customer shall ensure that its terminal equipment and system are properly interfaced with the Company's facilities and Services, that the signals and voltages emitted into the Company's facilities are of the proper mode, bandwidth, power, and signal level of the intended use of the Customer and in compliance with the criteria set forth in the rules of the FCC, and that the signals do not damage equipment, injure personnel or degrade Service to other Customers.
- 2.7.6. Interconnection between the Customer's equipment and Company-provided service must be made by the Customer by leased channel or dial-up service. Where interconnection between Customer's equipment and Company-provided service is not made by lease of Company facilities, interconnection must be made by the Customer at the Company's operating offices. Any special interface equipment necessary to achieve the compatibility between facilities of the Company and the channels or facilities of others shall be provided at the Customer's expense.
- 2.7.7. If the protective requirements in connection with Customer-provided equipment are not being complied with, the Company may take such immediate action as necessary to protect its facilities and personnel and will promptly notify the Customer of the need for protective action. In the event that the Customer fails to advise the Company within 10 days after such notice is received that corrective action has been taken, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities and personnel from harm. The Carrier will, upon 24 hours advance request, provide Customer with a statement of technical parameters that the Customer's equipment must meet.
- 2.7.8. The Customer is liable to the Company for replacement and repair of damage to the equipment and facilities of the Company caused by negligence and willful act of the Customer, its Authorized Users, and others, and for improper use of equipment provided by the Customer, its Authorized Users, and others.
- 2.7.9. The Customer is liable for any loss of Company equipment installed at the Customer's premises caused by: theft, fire, flooding, or any other casualty or criminal act.

Tariff Advice No. 1

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SECTION 2 - RULES AND REGULATIONS (Continued)**2.7. Responsibilities of the Customer (Continued)**

- 2.7.10. Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Carrier.
- 2.7.11. Customers are responsible for the security and usage of all authorization numbers assigned, and for payment of all charges placed against them. Customers are allowed 30 days after each statement posting date to notify Carrier of calls believed to be incorrectly charged to Customer's account. Credit for such calls, if allowed, will be made on the statement posted not later than sixty days after receipt by Carrier of such notification. Customers claiming not to be responsible for more than five calls on any one statement may be required to accept a number change.

2.8. Responsibilities of Authorized Users

- 2.8.1. The Authorized User is responsible for compliance with applicable regulations set forth in this tariff.
- 2.8.2. The Authorized User is responsible for establishing its identity as often as necessary during the course of a call.
- 2.8.3. The Authorized User is responsible for identifying the station, party, or person with whom communication is desired and/or made at the called number.
- 2.8.4. The Authorized User is responsible for providing the Company with a valid method of billing for each call. The Company reserves the right to validate the method of payment through available Credit Card, Called Number, Third Party telephone number and Room Number verification procedures. Where a requested billing method cannot be validated, the User may be required to provide an acceptable alternate billing method or the Company may refuse to place the call.

Tariff Advice No. 1

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SECTION 2 - RULES AND REGULATIONS (Continued)**2.9. Termination or Interruption of Services**

2.9.1. Without incurring liability, the Company may discontinue Service(s) under the following conditions (the Company will give prior written notice unless otherwise specified):

(i) For past due balances or when usage has exceeded the credit limit established by the Company.

(ii) For violation of the terms or conditions governing the furnishing of services under this tariff.

(iii) For violation of any law, rule, regulation, or policy of any governing authority having jurisdiction over the Company's Service(s).

(iv) Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Carrier may immediately discontinue suspend service without incurring any liability.

(v) Upon condemnation of any material portion of the facilities used by the Carrier to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Carrier, by notice to the Customer, may discontinue or suspend service without incurring any liability.

(vi) Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Carrier may immediately discontinue or suspend service without incurring any liability.

(vii) In the event of fraudulent use of the Carrier's network, the Carrier may without notice suspend or discontinue service. The Customer will be liable for all related costs. The Customer will also be responsible for payment of any reconnection charges.

Tariff Advice No. 1

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SECTION 2 - RULES AND REGULATIONS (Continued)**2.9. Termination or Interruption of Services (Continued)**

2.9.1. (Continued)

Upon the Carrier's discontinuance of service to the Customer under Section 2.9.1 (i) or (ii), the Carrier, in addition to all other remedies that may be available to the Carrier at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at 6%).

If service is disconnected by the Carrier in accordance with section 2.9.1., and later restored, restoration of service will be subject to all applicable installation charges.

2.9.2. Without incurring liability, the Company may temporarily interrupt the provision of Service(s) at any time in order to perform test(s) and inspection(s) to assure compliance with tariff regulations and the proper installation and operation of Customer and the Company's equipment and facilities.

2.9.3. In the event that the Company incurs attorneys fees or other costs to recover any sums then due and the Company prevails, the Company shall be entitled to recover its costs of collection, legal costs, court costs, and reasonable attorneys' fees, in addition to whatever other relief the court may award. The Company may assign or sell receivables to Local Exchange Carriers, collection agencies or other parties and the amounts owed to the Company shall then become due and payable to that third party.

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SECTION 2 - RULES AND REGULATIONS (Continued)

- 2.9.4. Service(s) may be discontinued by the Company, without notice to the Customer, by blocking traffic to and from certain countries, cities, NXX's, or by blocking calls using certain Customer Authorization Codes or Calling Card Account Numbers when the Company deems it necessary to take such action to prevent fraud or other unlawful use of its Service(s). The Company may restore Service(s) as soon as it can be provided without undue risk.
- 2.9.5. If, for any reason, Service(s) is interrupted, the Customer will only be charged for the Service(s) that was actually used.

2.10. Payment for Service

The Customer is responsible for payment of all charges for facilities and Service(s) furnished by the Company, including charges for Service(s) originated or charges accepted at the Customer's service point.

- 2.10.1. Charges for Third Party calls will be included on the Billed Party's local exchange telephone company bill pursuant to billing and collection agreements established by the Company or its intermediary with the applicable telephone company.
- 2.10.2. Charges for Credit Card Calls will be included on the Billed Party's regular monthly statement from the card-issuing company.
- 2.10.3. The Customer will be billed for and is liable for payment of all applicable federal, state and local use, assessments, surcharges, sales and/or privilege taxes and/or similar liabilities chargeable to or against the Company as a result of the provision of the Company's Service(s), in addition to the rates indicated in this tariff. Taxes or surcharges may be passed through to customers of a taxing jurisdiction on a prorated basis such that the total of all such charges aggregated among all customers in the taxing jurisdiction shall approximately equal the total amount of tax due in that jurisdiction.

A surcharge is imposed on all charges for service originating at addresses in states which levy, or assert a claim of right to levy, a gross receipts tax on the Carrier's operations in any such state, or a tax on interstate access charges incurred by the Carrier for originating access to telephone exchanges in that state. This surcharge is based on the particular state's receipts tax and other state taxes imposed directly or indirectly upon the Carrier by virtue of, and measured by, the gross receipts or revenues of the Carrier in that state and/or payment of interstate access charges in that state. The surcharge will be shown as a separate line item the Customer's monthly invoice.

Tariff Advice No. 1

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SECTION 2 - RULES AND REGULATIONS (Continued)

- 2.10.4. The Customer shall remit payment of all charges to the Company or to any agency authorized by the Company to receive such payment. Customers have up to 90 days (commencing five days after remittance of the bill) to initiate a dispute over charges or to received credits. Undisputed amounts may not be withheld.
- 2.10.5. Late payment charges for bills not paid 30 days after the later of the billing invoice date or the billing postmark date; the Company may include only the following in a late payment charge:
- (A) a one-time late payment fee not exceeding one percent of the unpaid amount;
 - (B) a finance charge not exceeding .0287 percent of the unpaid amount per day that the amount remains unpaid.
- 2.10.6. A delinquent account may subject the Customer's Service(s) to temporary disconnection.
- 2.10.7. Failure to receive a bill will not exempt a Customer from prompt payment of any sum(s) due the Company.
- 2.10.8. Usage charges and recurring charges will be billed one (1) month in arrears.
- 2.10.9. The Customer will be assessed a charge of \$21.24 for each check submitted by the Customer to the Carrier which a financial institution refuses to honor. The charge will be applied to the Customer's monthly billing in addition to any other charges which may apply under this tariff. Payment rendered by check, subsequently dishonored, shall not constitute payment until the customer makes a valid repayment.
- 2.11. Deposits**
- The Company does not require Customer deposits.
- 2.12. Billing Entity Conditions**
- When billing functions on behalf of the Company are performed by local exchange telephone companies, credit card companies or others, the payment conditions and regulations of such companies apply, including any applicable interest and/or late payment charges. In case of any disputed charges that cannot be resolved by the billing company, the Billed Party may contact the Company directly.

Tariff Advice No. 1

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Issued By: Crexendo Business Solutions, Inc.

By: Jeff Korn Title: Chief Legal Officer

SECTION 2 - RULES AND REGULATIONS (Continued)**2.13. Discontinuation of Service(s)**

The Customer's Service(s) shall automatically terminate upon discontinuation of the Customer's subscription to the Company's Service(s).

- 2.13.1. Special Facilities - If a Customer orders service requiring special facilities dedicated to the Customer's use and then cancels his order before the service begins, before completion of the minimum period, or before completion of some other period mutually agreed upon, the Customer shall pay the Carrier the non-recoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Carrier and not fully reimbursed by installation and monthly charges. If, based on such an order, construction has either begun or been completed, but no service provided, the non-recoverable cost of such construction shall be paid by the Customer.

2.14. Right to Backbill for Improper Use of the Company's Services

Any person or entity which uses, appropriates or secures the use of Service(s) from the Company, whether directly or indirectly, in any unlawful manner or through the providing of any misleading or false information to the Company shall be liable for an amount equal to the accrued and unpaid charges that would have been applicable to the use of the Company's Service(s) actually made by Customer.

2.15. Minimum Service Period

The minimum period for service is one month (30) days unless shorter period is expressly approved by Carrier. When Access Service is disconnected prior to the expiration of the minimum period, charges are applicable for the balance of the minimum period.

The Minimum Period Charge for monthly billed services will be determined as follows:

For Switched Access Service, the charge for a month or fraction thereof is equal to the applicable minimum monthly charge for the capacity.

All applicable non-recurring charges for the service will be billed in addition to the Minimum Period Charge.

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SECTION 3 - DESCRIPTION OF SERVICES**3.1. Service Offerings**

The information in this section applies to all types of telecommunications services offered pursuant to this tariff unless otherwise noted. Alaska Intrastate Long Distance Service is offered on a per call basis to Customers originating calls within the State of Alaska. Such service is available twenty-four (24) hours per day seven (7) days per week. Service is provided on the basis of a one month minimum period, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have 30 days.

3.1.1 1+ Service I

1+ Service consists of the furnishing of presubscribed switched message telephone service between telephone stations located within the State. Such service is available twenty-four (24) hours a day, seven (7) days a week. This service is provided for customers with estimated monthly billing that exceeds \$50.00.

Customers will be charged for calls based on the duration of the call as set forth in 4.1 below.

3.1.2 1+ Service II

1+ Service consists of the furnishing of presubscribed switched message telephone service between telephone stations located within the State. Such service is available twenty-four (24) hours a day, seven (7) days a week.

Customers will be charged for calls based on the duration of the call as set forth in 4.2 below.

3.1.3 800/888 Service I

800/888 Service consists of the furnishing of inbound switched message telephone service between telephone stations located within the State. Such service is available twenty-four (24) hours a day, seven (7) days a week. This service is provided for customers with estimated monthly billing that exceeds \$50.00. If usage charges exceed \$10.00, the monthly recurring charge is waived.

Customers will be charged for calls based on the duration of the call as set forth in 4.3 below.

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3 DESCRIPTION OF SERVICES (CONT.)**3.1 Service Offerings (Cont'd)****3.1.4 800/888 Service II**

800/888 Service consists of the furnishing of inbound switched message telephone service between telephone stations located within the State. Such service is available twenty-four (24) hours a day, seven (7) days a week. If usage charges exceed \$10.00, the monthly recurring charge is waived.

Customers will be charged for calls based on the duration of the call as set forth in 4.4 below.

3.1.5 Travel Card Service

Travel Card Service allows customers to gain access to their long distance service from anywhere in the state to anywhere in the state via discount service billed back to the user's account.

Customers will be charged for calls based on the duration of the call as set forth in 4.5 below.

3.1.6 0+ Service

0+ Service consists of the furnishing of operator assisted switched message telephone service between telephone stations located within the State. Such service is available twenty-four (24) hours a day, seven (7) days a week. Billable time is measured in one (1) minute increments. At some locations, a three (3) minute minimum may be required.

Customers will be charged for calls based on the time of day and the duration of the call as set forth in 4.6 below. An access fee applies per call.

3.1.7. Long Distance Directory Assistance

Service offered on a per call basis to all Commercial and Residential Customers whereby the customer may obtain telephone numbers by dialing 1 + area code + 555-1212. Such service is available twenty-four (24) hours per day, seven (7) days a week.

Tariff Advice No. 1

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3 DESCRIPTION OF SERVICES (CONT.)**3.2. Billing Periods**

Service is billed on a monthly (30) day basis or more frequently, if requested by Customer. Service continues to be provided until canceled by Customer. The Customer's monthly charges for Carrier's service are based upon the total time the Customer actually used the service. For billing purposes, the duration of each call will be rounded to the nearest six seconds (unless otherwise specified). Customers receive tenth minute or full minute charges depending on the rate program to which they have subscribed. Carrier will provide a listing of each individual call made during the preceding billing period. Timing on completed calls begins when the called party answers. Timing ends when either party hangs up.

3.3. Timing of Calls

Customer traffic to end offices will be measured by the Carrier at end office switches. Originating and terminating calls will be measured by the Carrier to determine the basis for computing chargeable access minutes.

For originating calls over Feature Group D, usage measurement begins when the originating Feature Group D switch receives the first wink supervisory signal forwarded from the Customer's point of termination.

The measurement of originating call usage ends when the originating Feature Group D switch receives disconnect supervision from either the originating end user's end office, indicating the originating end user has disconnected, or the Customer's point of termination, whichever is recognized first by the switch.

For terminating calls over Feature Group D, the measurement of access minutes begins when the terminating Feature Group D switch receives answer supervision from the terminating end user's end office indicating the terminating end user has answered.

Tariff Advice No. 1

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SECTION 3 - DESCRIPTION OF SERVICES (Continued)**3.3. Timing of Calls (Continued)**

The measurement of terminating call usage over Feature Group D ends when the terminating Feature Group D switch receives disconnect supervision from either the terminating end user's end office, indicating the terminating end user has disconnected, or the Customer's point of termination, whichever is recognized first by the switch.

Access minutes or fractions thereof are accumulated over the billing period for each end office and are then rounded up to the nearest access minute for each end office.

3.4. Minimum Call Completion Rate

The customer can expect a call completion rate (number of calls completed / number of calls attempted) of not less than 99% during peak use periods for all FGD and 800 access services.

3.5. Uncompleted Calls

There shall be no charge for uncompleted calls.

3.6. Calculation of Distance

In the event the Company provides mileage sensitive products, then usage charges are based on the airline distance between rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers and associated vertical and horizontal coordinates that are produced by Bell Communications Research in their NPA-NXX V & H Coordinates Tape and Bell's NECA Tariff No. 4.

FORMULA:

$$\sqrt{\frac{(V1-V2)^2 + (H1-H2)^2}{10}}$$

Tariff Advice No. 1

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SECTION 3 - DESCRIPTION OF SERVICES (Continued)**3.7. Customer Complaints and/or Billing Disputes**

Customer inquiries or complaints regarding service or accounting may be made in writing or by telephone to the Company at:

Crexendo Business Solutions, Inc.
1615 South 52nd Street
Tempe, Arizona 85281
(866) 621-6111

Any objection to billed charges should be reported promptly to the Company. The Customer should notify the Company of any disputed items on an invoice within thirty (30) days. In the event of a dispute between the customer and the Company respecting any bill, the Company may require the customer to pay the undisputed portion of the bill to avoid discontinuance of service for nonpayment.

The Company shall make such investigation as may be appropriate to the particular case and report the result thereof to the customer.

Where overbilling of a subscriber occurs, due either to Company or subscriber error, no liability exists which will require the Company to pay any interest, dividend or other compensation on the amount overbilled.

In the event the dispute is not reconciled, either party may make application to the Commission for review and disposition of the matter.

Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501-3469
Toll Free: (800) 390-2782
Telephone: (907) 276-6222
Fax: (907) 276-0160
TTY: (907) 276-4533

If a Customer accumulates more than One Dollar of undisputed delinquent Company 800 Service charges, the Company Resp. Org. reserves the right not to honor that Customer's request for a Resp. Org. change until such undisputed charges are paid in full.

If the dispute is resolved in favor of the Customer and the Customer has withheld the disputed amount, no interest, credits or penalties will apply.

Tariff Advice No. 1

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SECTION 4 - RATES AND CHARGES

This section sets forth the rates and charges applicable to the Company's services. All rates and charges are expressed in U.S. dollars. Calls which overlap rate periods will be charged according to the rates applicable to the time recorded in each period. The Customer's total monthly use of the Carrier's service is charged at the applicable rate per minute set forth below. The duration of each call will be rounded to the nearest 6 seconds.

4.1 1+ Service I

Per Minute	
Day	Evening/Night/Weekend
\$0.14	\$0.14

Monthly Recurring Fee \$2.00
Calls are billed in 6 second increments with a 6 second minimum.

4.2 1+ Service II

Per Minute	
Day	Evening/Night/Weekend
\$0.14	\$0.14

Monthly Recurring Fee \$2.00
Calls are billed in 1 minute increments with a 1 minute minimum.

4.3 800/888 Service I

Per Minute	
Day	Evening/Night/Weekend
\$0.14	\$0.14

Monthly Recurring Fee \$5.00
Calls are billed in 6 second increments with a 6 second minimum.

Tariff Advice No. 1

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4 RATES AND CHARGES (Cont'd)**4.4 800/888 Service II**

Per Minute	
Day	Evening/Night/Weekend
\$0.14	\$0.14

Monthly Recurring Fee \$5.00
 Calls are billed in 1 minute increments with a 1 minute minimum.

4.5 Travel Card Service

Per Minute	
Day	Evening/Night/Weekend
\$0.25	\$0.25

Calls are billed in 1 minute increments with a 1 minute minimum.

Tariff Advice No. 1

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4 RATES AND CHARGES (Cont'd)**4.6 0+ Service**

Mileage	First Minute	Each Add'l Minute
0-34	.33	.13
35-64	.37	.17
65-94	.41	.21
95-124	.44	.24
125-154	.47	.27
155-184	.50	.29
185-214	.54	.33
215-274	.57	.36
275-334	.59	.38
335-394	.59	.38
395-454	.59	.38
455+	.59	.38

Operator Station

Collect \$1.55
 Billed to third number \$1.55

Person to person collect \$3.00

Calling Card

Customer dialed \$0.50
 Operator dialed \$1.55

Operator dialed surcharge* \$1.00

*Charges may apply in addition to any other applicable fees.

4.7 Long Distance Directory Assistance

Per Inquiry \$1.00

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4 RATES AND CHARGES (Cont'd)**4.8. Individual Case Basis (ICB) Arrangements**

Arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer to develop a competitive bid for a service offered under this tariff. Rates quoted in response to such competitive requests may be different than those specified for such services in this tariff. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis.

The Company shall provide a list to the Regulatory Commission of Alaska of any special contacts for retail services to include:

- (A) Identify each customer; and
- (B) Retail service specially provided to that customer.

4.9. Special Promotions and Discounts

From time to time, the Company may offer special limited-duration promotions and discounts. Such promotions and discounts are designed to attract new subscribers or to increase subscriber awareness of a particular service.

The Company shall provide a list to the Regulatory Commission of Alaska of any special promotions and discounts for review and approval. Any special promotions or discounts shall also be listed in this tariff.

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