

ORIGINAL



0000125414

Armando Fimbres

T-20777A-10-0510

From: Paula Schneider [paula@crockerlawfirm.com]
Sent: Friday, April 01, 2011 11:48 AM
To: Armando Fimbres
Cc: Pat Crocker
Subject: Mosaic 10-0510 - Data Request #1 Responses
Attachments: AZ MOSAIC DR 1 Responses.pdf

Mr. Fimbres,

Attached please find responses to Data Request #1 including amended tariff in pdf searchable format as requested.

Please contact our firm with any additional questions, concerns, or Data Requests.

Best regards,

Paula A. Schneider
Legal Assistant to Patrick D. Crocker
Crocker & Crocker, P.C.
The Kalamazoo Building
107 West Michigan Avenue, 4th Floor
Kalamazoo, MI 49007
Telephone: (269) 381-8893 Ext. 227
Facsimile: (269) 381-4855
E-mail: paula@crockerlawfirm.com

Arizona Corporation Commission
DOCKETED

MAY 23 2011

DOCKETED BY

AZ CORP COMMISSION
DOCKET CONTROL

2011 MAY 23 P 1:50

RECEIVED

**ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET OF DATA REQUESTS TO
MOSAIC NETWORKS LLC ("MOSAIC")
DOCKET NO. T-20777A-10-0510**

STF 1.1 Mosaic has applied for a Certificate of Convenience and Necessity ("CC&N") to provide (1) Facilities-Based Local Exchange Services and (2) Resold and Facilities-Based IntraLATA and InterLATA Private Line Services; however, the tariff submitted with Mosaic's application does not only include tariff information for local exchange services. Please:

- 1 - submit a Local Exchange Tariff, or
- 2 - amend its CC&N application to remove its request for Facilities-Based Local Exchange Services authority.

Mosaic does not currently intend to provide local dial tone service and amends its CC&N application to remove its request for Facilities-Based Local Exchange Services authority.

See Attachment A.

STF 1.2 Individual Case Basis ("ICB") arrangements may be offered for services in Mosaic's Intrastate Telecommunications Services, Arizona Tariff No. 1 as authorized by a Commission CC&N. Section 2.14.5 of the Intrastate Telecommunications Services, Arizona Tariff No. 1, however, appears to state that services not included in the tariff may be offered. The policy/practice of the Commission is to require that (1) all services that are to be offered under a CC&N must be included in a tariff and (2) that all services must have corresponding maximum rates stated in the tariff.

Please submit a revised Intrastate Telecommunications Services, Arizona Tariff No. 1 in accordance with the Commission's existing policy/practice.

See Attachment B.

STF 1.3 Attachment D submitted with Mosaic's CC&N application contains financial information for one year - 2009. Please submit financials for 2010.

See Attachment C.

**ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET OF DATA REQUESTS TO
MOSAIC NETWORK LLC ("MOSAIC")
DOCKET NO. T-20777A-10-0510**

STF 1.4 For the states identified in section (A-18) of Mosaic's CC&N application, please:

- 1 - explain when each CC&N was granted,
- 2 - provide the decision numbers granting authority in each state, and
- 3 - explain when Mosaic began providing service in each state identified or when Mosaic expects to begin providing service in each state identified.

See Attachment D.

STF 1.5 Section (A-20) of Mosaic's CC&N application states that "Applicant has no affiliates that are authorized to provide telecommunications services in Arizona."

Does Mosaic have any affiliates operating in Arizona? If yes, please provide the names of all such affiliates.

Mosaic does not have any affiliates operating in Arizona.

STF 1.6 Attachment A of Mosaic's CC&N application contains percentage ownership information totaling 92% for two members.

Please explain who holds ownership to the remaining 8%.

The remaining 8% ownership is held by:

Thomas Wierimaa	4%
Erik Rothrock	4%

**ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET OF DATA REQUESTS TO
MOSAIC NETWORKX LLC ("MOSAIC")
DOCKET NO. T-20777A-10-0510**

ATTACHMENT A

Amended Application Section (A-1)

Amended Application Section (A-14)

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services**

Mail original plus 13 copies of completed application to: For Docket Control Only:
(Please Stamp Here)

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending in Arizona as an Interexchange reseller, AOS provider, or as the provider of other telecommunication services.

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and mark the appropriate box(s).

- Resold Long Distance Telecommunications Services (Answer Sections A, B).
- Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E).
- Alternative Operator Services Telecommunications Services (Answer Sections A, B)
- Other Resold and Facilities-Based IntraLATA and interLATA Private Line Services

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

Mosaic Networx LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 94903

Telephone: (415) 877-1460
Facsimile: (435) 578-9864
E-mail: twierimaa@mosaicnetworx.com
Website: www.mosaicnetworx.com

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

Yes

No

To the extent Applicant provides basic local exchange services, Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

(A-14) Is Applicant willing to post a Performance Bond? Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes

No

If "No", continue to question (A-15).

For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes

No

If any box in (A-14) is marked "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

While Applicant is willing to post a Performance Bond, Applicant does not believe that a bond should be required because Applicant does not intend to provide telecommunications services to residential customers. Applicant intends to provide telecommunications services to enterprise and carrier customers. As described below, Applicant primarily provides private line, wavelength, Ethernet, and Internet services.

(A-15) If any box in (A-14) is marked "No", provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the Applicant's superior financial position limits any risk to Arizona consumers.

Applicant's deposit policy can be found on pages 21-22 of the Intrastate Telecommunications Tariff. Applicant does not intend to provide telecommunications services to residential customers.

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the Applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division. To be provided after hearing notification.

**ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET OF DATA REQUESTS TO
MOSAIC NETWORKX LLC ("MOSAIC")
DOCKET NO. T-20777A-10-0510**

ATTACHMENT B

Arizona Tariff No. 1 – Complete Tariff

Page 30 - Section 2.14.5 amended

RATES, RULES AND ADMINISTRATIVE REGULATIONS
FOR FURNISHING
INTRASTATE TELECOMMUNICATIONS SERVICES
WITHIN THE STATE OF ARIZONA

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

CHECK SHEET

The sheets of this tariff are effective as of the date shown. The original and revised sheets named below contain all changes from the original tariff and are in effect on the date shown.

<u>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>
1	Original	26	Original		
2	Original	27	Original		
3	Original	28	Original		
4	Original	29	Original		
5	Original	30	Original		
6	Original	31	Original		
7	Original	32	Original		
8	Original	33	Original		
9	Original	34	Original		
10	Original	35	Original		
11	Original	36	Original		
12	Original	37	Original		
13	Original	38	Original		
14	Original	39	Original		
15	Original	40	Original		
16	Original	41	Original		
17	Original	42	Original		
18	Original	43	Original		
19	Original				
20	Original				
21	Original				
22	Original				
23	Original				
24	Original				
25	Original				

* New or Revised Page

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networkx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

TABLE OF CONTENTS

Check Sheet2
Table of Contents.....3
Tariff Format.....4
Symbols.....5
Section 1 - Terms and Abbreviation.....6
Section 2 - Rules and Regulations8
Section 3 – Description of Service38
Section 4 – Rates and Charges.....42

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

TARIFF FORMAT

- A. Page Numbering** - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added.
- B. Page Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Department. For example, the 4th revised Page 14 cancels the 3rd revised Page 14. Because of the various suspension periods and deferrals the Department follows in its tariff approval process, the most current page number on file with the Department is not always the tariff page in effect. Consult the check sheet for the page 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 Department an updated check sheet accompanies the filing. The check sheet lists the pages 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 shall be no other symbols used on this page if these are the only changes made to it. The tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Department.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

EXPLANATION OF SYMBOLS

Changes to this tariff shall be identified on the revised page(s) through the use of symbols. The following are the only symbols used for the purposes indicated below:

- (C) To signify changed regulation.
- (D) To signify discontinued rate or regulation.
- (I) To signify an increase.
- (M) To signify matter relocated without change.
- (N) To signify new rate or regulation.
- (R) To signify reduction.
- (S) To signify reissued matter.
- (T) To signify change in text but no change in rate or regulation.
- (Z) To signify a correction.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 1 - TERMS AND ABBREVIATIONS

Individual Case Basis (ICB) - A service arrangement in which the regulation, rates, and charges are developed based on the specific circumstances of the case.

LATA - A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the NATIONAL EXCHANGE CARRIER ASSOCIATIONS, Inc. Tariff F.C.C. No. 4.

Multiplexing - The act of combining a number of individual message circuits for transmission over a common transmission path.

Multiplexing Hub - A Company designated central office at which the multiplexing functions are to channelize analog or digital facilities to individual services requiring a lower capacity or bandwidth.

Network - Refers to the Company's facilities, equipment, and services provided under this Tariff.

Private Line Service - Provides DS3 and optical SONET (OC-N) circuits which are specifically dedicated to Customer's used between two (2) points specified by the Company and Customer in a Service Order.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 1 - TERMS AND ABBREVIATIONS (Cont'd)

Service Commencement Date - The first date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and the Customer may mutually agree on a substitute Service Commencement Date. If the Company does not have an executed Service Order from a Customer, the Service Commencement Date will be the first date on which the service or facility was used by a Customer.

Served Direct Intraexchange Channel - A path for digital transmission between the customer's premises located on the same cable feeder route, less than 3,500 cable feet apart, and having no central office connection.

Service Order - The written request for dedicated services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligation of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date. Should a Customer use the Company's dedicated service without an executed Service Order, the Company will then request the Customer to submit a Service Order.

Shared - A facility or equipment system or subsystem that can be used simultaneously by several Customers.

User - A Customer, joint user, or any other person authorized by a Customer to use service provided under this tariff.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS

2.1 Application of Tariff

2.1.1 This tariff contains the regulations and rates applicable to dedicated telecommunications services provided by the Company to business customers only. The services described in this tariff are not offered to residential customers.

This tariff applies only to the extent that services provided hereunder are used by a Customer for the purpose of originating, terminating, or completing intrastate communications. A communication is "intrastate" only if all points of origination and termination are located within the State.

2.2 Scope

The Company undertakes to furnish dedicated services in accordance with the terms and conditions set forth in this Tariff. The provision of service under this tariff shall not create a partnership or joint venture between the Company and Customer.

2.3 Shortage of Equipment and Facilities

All service is subject to the availability of suitable facilities and where the Company can secure acceptable arrangements with underlying suppliers (for resold services). The Company may deny service, limit the length of service, or discontinue furnishing services when necessary because of the lack of acceptable transmission medium capacity, the unavailability of equipment and facilities, or because of any causes beyond its control.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.4 Terms and Conditions

- 2.4.1 Service is provided on the basis of a minimum period of at least one month, 24-hours per day. For the purpose of computing charges in this Tariff, a month is considered to have 30 days.
- 2.4.2 Services requested by a Customer under this tariff shall be requested on service order forms ("Service Orders") in effect from time to time, which shall contain or reference this tariff, the name of the Customer, a specific description of the service ordered and applicable bandwidth, the requested start date ("Requested Start Date"), 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 reasonable requested by the Company, which may supplement the terms and conditions contained in this Tariff.
- 2.4.3 The Company will make reasonable efforts to meet a Customer's Requested Start Date. In the event that a Requested Start Date is altered, Customer's Requested Start Date will be changed to reflect the number of days of delay or advance, as appropriate (the "Actual Start Date").

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.4 Terms and Conditions (cont'd)

- 2.4.4 The Company's standard service implementation interval for services provided on the Company's owned and operated facilities is forty-five (45) days from acceptance of a Service Order by the Company's Customer Care department. Such acceptance shall be indicated by the signature of a representative of such department on the Service Order. The standard service implementation interval for services provided by a third party and either partially or wholly off of the Company's owned and operated network shall be determined on an ICB. The Company shall make reasonable efforts to provide services within its standard service implementation interval or on Customer's Requested Start Date and shall not be liable to pay to the Customer any penalties or damages for Company's failure to meet such standard service implementation intervals.
- 2.4.5 Services shall be deemed to begin on the date the Company issues notice that service is available (the "Actual Start Date"), unless the Company receives written notice from the Customer within three (3) business days after the Company's issuance of notice that service is available, stating that the service is in material non-compliance with applicable technical specifications.
- 2.4.6 Customers may request a delay in the Actual Start date of a Service Order provided that (i) a written delay request is provided to Company no later than 5 business days prior to the Requested Start Date or the delayed Requested Start Date, as the case may be, and (ii) the aggregate number of days requested by such delay request or requests do not exceed 30 calendar days from the Service Order's original Requested Start Date. At the expiration of such 30 day period, the Customer may no longer delay the Actual Start Date of such Service Order, and Company may begin billing as of such date.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.5 Limitations on Liability

2.5.1 Except as otherwise stated in this section, the liability of the Company for damages arising out of either: (1) the furnishing of its services, including, but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representatives, or use of these services or (2) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of Outage Credits to the Customer for interruptions in service as set forth in section 2.15 of this Tariff.

2.5.2 Except for the extension of Outage Credits to the Customer for interruptions in service, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including but not limited to any act or omission, failure to perform, delay, interruption, failure to provide any service, or any failure or breakdown of facilities associated with the service.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.5 Limitations on Liability (cont'd)

2.5.3 The Company shall not be liable for any claims for loss or damages involving:

- A. Any act or omission of: (a) the Customer; (b) any other entity furnishing service, equipment, or facilities for use in conjunction with services or facilities for use in conjunction with services or facilities provided by the Company; or (c) common carriers or warehousemen;
- B. Any delay or failure of performance or equipment due to causes beyond the Company's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars, or other civil disturbances; strikes, lockouts, work stoppages, or other labor difficulties; criminal actions taken against the Company; unavailability, failure, or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation, or other action of any governing authority or agency thereof;
- C. Any unlawful or unauthorized use of the Company's facilities and services;

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.5 Limitations on Liability (cont'd)

2.5.3 The Company shall not be liable for any claims for loss or damages involving (cont'd):

- D. Libel, slander, invasion of privacy, or infringement of patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Company-provided facilities or services; or by means of the combination of Company-provided facilities or services with Customer-provided facilities or services;
- E. Breach in the privacy or security of communications transmitted over the Company's facilities;
- F. Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in this Tariff.
- G. Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof;

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.5 Limitations on Liability (cont'd)

2.5.3 The Company shall not be liable for any claims for loss or damages involving (cont'd):

- H. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities;
- I. Any intentional, wrongful act of a Company employee when such act is not within the scope of the employee's responsibilities for the Company and/or is not authorized by the Company; or
- J. Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this Tariff.

2.5.4 The Company and the Customer shall defend, indemnify and hold harmless the other against and from any and all claims for property damage, physical personal injury or wrongful death to the extent that such arises out of the negligence or willful misconduct of the respective indemnifying party, its employees, agents, or contractors in connection with the provision or use of service or other performance.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.5 Limitations on Liability (cont'd)

2.5.5 THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN. THE OUTAGE CREDITS REMEDY SET FORTH IN SECTION 2.15 IS THE SOLE AND EXCLUSIVE REMEDY PROVIDED TO CUSTOMER AND IS IN LIEU OF ALL OTHER REMEDIES.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)**2.5 Limitations on Liability (cont'd)**

2.5.6 Customers shall make all arrangements with copyright holders, music licensing organizations, performers' representatives or other parties for necessary authorizations, clearances or consents with respect to transmission contents ("Consents"). Customers shall indemnify and hold harmless the Company and Providers (as defined below) against and from any court, administrative or agency action, suit or similar proceeding, whether civil or criminal, private or public, brought against Providers arising out of or related to the contents transmitted hereunder (over Company's network or otherwise) including, but not limited to, claims, actual or alleged, relating to any violation of copyright law, export control laws, failure to procure Consents, failure to meet governmental or other technical broadcast standards, or that such transmission contents are libelous, slanderous, an invasion of privacy, pornographic, or otherwise unauthorized or illegal. Providers shall be defined to include the Company, any third party or affiliated provider, operator or maintenance/repair contractor of facilities employed in connection with the provision of services under this tariff. The Company may terminate or restrict any transmissions over the network if, in its judgment, (a) such actions are reasonably appropriate to avoid violation of applicable law; or (b) there is a reasonable risk that criminal, civil or administrative proceedings or investigations based upon the transmission contents shall be instituted against Providers. Customer agrees not to use services for any unlawful purpose, including without limitation any use which constitutes or may constitute a violation of any local, state or federal obscenity law.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)**2.6 Testing and Adjusting**

Upon suitable notice, the Company may make such tests, adjustments, and inspections as may be necessary to maintain the Company's facilities in satisfactory operating condition. No interruption allowance will be credited to the Customer for the period during which the Company makes such test, adjustments, or inspections.

2.7 Provision of Equipment and Facilities

2.7.1 The Customer has sole responsibility for installation, testing and operation of facilities, services and equipment ("Customer Facilities") other than those specifically provided by the Company as part of the services described in a Service Order. In no event will the untimely installation or non-operation of Customer Facilities relieve Customer of its obligation to pay charges for service after the Actual Start Date.

2.7.2 Any equipment provided by the Customer must be itemized on a schedule listing all such Customer-provided equipment and appended to the Service Order to which use of that equipment relates ("Customer Equipment Inventory"). The Company shall not be obligated to provide service if the Customer will be providing any of its own equipment unless and until such equipment is itemized on the applicable Customer Equipment Inventory.

2.7.3 Title to all facilities provided by the Company, its agents, contractors, or suppliers in accordance with this tariff remains in the Company, its agents, contractors, or suppliers.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.8 Special Construction

Subject to the arrangement of the Company and to all of the regulations contained in this Tariff, special construction of facilities may be undertaken on a reasonable effort basis at the request of the Customer. Special construction charges will be determined as described herein on an ICB. Special construction is that construction undertaken:

- 2.8.1 where facilities are not presently available, and there is no other requirement for the facilities so constructed;
- 2.8.2 of a type other than that which the Company would normally utilize in the furnishing of its services;
- 2.8.3 over a route other than that which the Company would normally utilize in the furnishing of its services;
- 2.8.4 in a quantity greater than that which the Company would normally construct;
- 2.8.5 on an expedited basis;
- 2.8.6 where a change in service is made after the service has been installed;
- 2.8.7 on a temporary basis until permanent facilities are available;
- 2.8.8 involving abnormal costs; or
- 2.8.9 in advance of its normal construction.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.9 Prohibited Uses

- 2.9.1 The services the Company offers shall not be used for any unlawful purpose or for any use which the Customer has not obtained all required governmental approvals, authorization, licenses, consents, and permits.
- 2.9.2 The Company may require applicants for service who intend to use the Company's offering for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offering complies with relevant laws and regulations, policies, orders, and decisions.
- 2.9.3 The Company may require a Customer to immediately shut down its transmission if such transmission is causing interference to others.
- 2.9.4 A Customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights or obligations associated with the service without the written consent of the Company. Any such assignment or transfer of Customer's rights or obligations without such consent shall entitle the Company to terminate service, at its option, upon ten (10) days' prior written notice to Customer.

2.10 Customer Premises Provisions

- 2.10.1 The Customer shall provide the personnel, power, and space required to operate all facilities and associated equipment installed on the premises of the Customer.
- 2.10.2 The Customer shall be responsible for providing Company personnel access to premises of the Customer at any reasonable hour for the purpose of testing the facilities or equipment of the Company.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.11 Liability of the Customer

2.11.1 The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, employees, agents, invitees, or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.

2.11.2 To the extent caused by any negligent or intentional act of the Customer as described in 2.11.1, preceding, the Customer shall indemnify, defend, and hold harmless the Company from and against all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorneys' fees, for (1) any loss, destruction or damage to property of any third party, and (2) the death of or injury to persons, including, but not limited to, employees or invitees of either party, and (3) any liability incurred by the Company to any third party pursuant to this or any other tariff of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided by the Company to such third party.

2.12 Customer Equipment and Channels

2.12.1 Interconnection of Facilities

- A. Customer provided terminating equipment such as CSUs, multiplexers, and other terminating equipment may, at the Customer's request, be provided by the Customer, at the Customer's expense. Carrier makes no guarantees or warranties as to the performance of Customer provided equipment.
- B. In the event the Customer should desire to collocate Customer owned equipment in a facility owned (or leased) and operated by the Company for the purpose of interconnecting the Customer owned equipment with the Company's network, the Customer and Company shall enter into an ICB agreement specifying the terms and conditions relating to such collocation.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)**2.12 Customer Equipment and Channels (cont'd)****2.12.2 Inspections**

The Company may, upon notification to the Customer, at a reasonable time, make such tests and inspections as may be necessary to determine that the requirements regarding the equipment and interconnections are being complied with in respect to the installation, operation and maintenance of Customer-provided equipment and in the wiring of the connection of Customer channels to Company-owned facilities.

2.13 Customer Deposits**2.13.1 General**

- A. To safeguard its interests, the Company may, at any time prior to or after the Actual Start Date, require a Customer to post a deposit or irrevocable letter of credit, at the Company's option, to secure the Customer's payment for the term of the service requested.
- B. When a service is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance will be refunded. Before the service is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account. If the amount of the deposit is insufficient to cover the balance due to the Customer's account, the Company retains the right to collect any amounts owing after the deposit has been applied plus any costs related to the collection of any remaining balance.
- C. Deposits held will accrue at an annual interest rate of two (2) percent per annum without deductions for any taxes on such deposits. Interest will not accrue on any deposit after the date on which reasonable effort has been made to return it to the Customer.

Issued:**Effective:**

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.13 Customer Deposits (cont'd)

2.13.2 Failure to Post a Deposit

Should a Customer fail to post a deposit or letter of credit as may be required by the Company within fifteen (15) days of the Company's notice of such a requirement, or should the Customer fail to abide by the terms of any letter of credit or deposit agreement, the Company may deny service prior to the Requested Service Date or terminate service after the Actual Start Date upon 60 days' notice to the Customer.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networkx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.14 Payment Arrangements

2.14.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer.

A. Taxes

The Customer is responsible for payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however designated) (excluding taxes on the Company's net income) imposed on or based upon the provision, sale or use of the Company's services by Customer.

B. Universal Service Contributions

The Company shall recover from the Customer any contributions the Company is required to make as a result of the service provided to the Customer to any state or federal fund established to further universal access, telecommunications relay services, local number portability or similar government sanctioned funding mechanisms. In the event that any of the service provided to the Customer is exempt from such contribution requirements, the Customer shall provide, in a manner requested by the Company, documentation evidencing such exemption.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.14 Payment Arrangements (cont'd)

2.14.2 Billing and Collection of Charges

The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.

- A. Non-recurring charges service are billed following receipt of the service by the Customer and are due and payable within 30 days after the date of the invoice ("Due Date").
- B. The Company shall present invoices for Recurring Charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable with 30 days after the date of the invoice ("Due Date"). When billing is based upon Customer usage, usage charges will be billed monthly for the preceding billing period.
- C. When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days. Prorated charges are billed following receipt of service and are due and payable within 30 days after the date of the invoice ("Due Date").

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.14 Payment Arrangements (cont'd)

2.14.2 Billing and Collection of Charges (cont'd)

- D. Billing of the Customer by the Company will begin on the Actual Start Date, which is the day on which the Company notifies the Customer that the service or facility is available for use, except that the Actual Start Date may be postponed if (i) the Customer provides the Company a written delay request no later than five (5) business days prior to the Requested Start Date, and (ii) the aggregate number of the days requested by such delay request does not exceed thirty (30) calendar days from the Service Order's original Requested Start Date. At the expiration of such thirty (30) day period, the Customer may no longer delay the Actual Start Date of such Service Order and the Company may begin billing as of such date.
- E. The Company may make billing adjustments for a period of two (2) years after the Due Date of an invoice, or two (2) years after the date a service is rendered, whichever is later.
- F. If any portion of the payment is received by the Company after the Due Date, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the date due, multiplied by a late factor. The late factor shall be the lesser of:
 - 1) a rate of 1.5 percent per month; or
 - 2) the highest interest rate which may be applied under state law for commercial transactions, which shall accrue from the Due Date.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)**2.14 Payment Arrangements (cont'd)****2.14.3 Billing Disputes****A. General**

All bills are presumed accurate, and shall be binding on the Customer unless notice of the disputed charge(s) is received by the Company within 30 days of the Due Date. For the purposes of this section, "notice" is defined as written notice to the Company, containing sufficient documentation to investigate the dispute, including the account number under which the bill has been rendered, the date of the bill, and the specific items on the bill being disputed. Such notice may be sent to the Company by calling, toll free, 1- 866-724-2605, or by writing to: Mosaic Networx, LLC, 454 Las Gallinas Avenue, Suite 145, San Rafael, CA 94903.

B. Late Payment Charge

- 1) The undisputed portions of the bill must be paid by the Due Date to avoid assessment of a late payment charge.
- 2) In the event that a billing dispute is resolved by the Company in favor of the Customer, any disputed amount withheld pending resolution of the billing dispute shall not be subject to the late payment charge, and the Customer shall receive an adjustment on its next bill.
- 3) In the event that a billing dispute is resolved in favor of the Company, the Customer shall pay the late payment charge.

Issued:**Effective:**

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.14 Payment Arrangements (cont'd)

2.14.3 Billing Disputes (cont'd)

C. Unresolved Billing Disputes

If notice of the disputed charge(s) is received by the Company within 30 days of the Due Date, the Customer may take the following course of action.

- 1) First, the Customer may request and the Company will provide an in-depth review of the disputed amount.
- 2) Second, if after investigation and review by the Company, a disagreement remains as to the disputed amount, the Customer may file an appropriate complaint with:

Arizona Corporation Commission – Consumer Services Division
Web: www.azcc.gov

Phoenix Office:

1200 West Washington Street
Phoenix, AZ 85007-2927
Telephone: (800) 222-7000

Tucson Office:

400 West Congress Street
Tucson, AZ 85701-1347
Telephone: (800) 535-0148

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)**2.14 Payment Arrangements (cont'd)****2.14.4 Suspension of Service for Cause**

- A. In the event payment in full is not received from Customer on or before 60 days following the date of the invoice, the Company may suspend all or any portion of service to the Customer. The Company shall exercise this suspension by providing Customer with a minimum of 10 days' written notice specifying the past due amount and the services to be suspended. If Company receives the entire past due amount within the 10 day notice period, then Customer's service will not be suspended.
- B. If only a portion of the service is initially suspended pursuant to the Company's written notice, and Customer fails to pay the specified past due amount within an additional ten (10) days after the partial suspension of service, then after the additional ten (10) day period, Company may suspend all or any additional portion of the service, with no additional written notice. Further, after the additional ten (10) day period, Company may continue suspension until such time as Customer has paid in full all charges then due, including any late fees as specified herein. Following such payment, Company shall reinstate Customer's services, subject to the Company's right to require the Customer to post a deposit or irrevocable letter of credit as specified in section 2.13 of this tariff.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.14 Payment Arrangements (cont'd)

2.14.4 Suspension of Service for Cause (cont'd)

- C. Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 30 days prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- D. In the event of fraudulent use of the Company's network, the Company 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.
- E. Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.
- F. Upon the Company's discontinuance of service to the Customer under this section, the Company, in addition to all other remedies that may be available to the Company 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 six (6) percent).
- G. Except for suspension of service pursuant to section 2.14.4(E), preceding, suspension of service shall not affect the Customer's obligation to pay for the service.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networkx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.14 Payment Arrangements (cont'd)

2.14.5 Ancillary Services and Charges

Any ancillary services and charges not described in this section will be considered special requests and will be handled on an ICB.

A. Order Change Charge

If a Customer desires to change the date on which Customer has requested that service be available, other than a request to expedite service pursuant to Section 2.8.5, Customer may be charged an Order Change Charge. Such charge will not apply to the Customer's first change of service date request, as long as such request is made more than fifteen (15) business days prior to the original Requested Start Date. If Customer makes a second change of service date request, or such change is requested less than fifteen (15) days prior to the original Requested Service Date, Customer will be charged an Order Change Charge. Customer will also be charged for any charges incurred by the Company from third party providers as a result of Customer's request for change of service date.

If a Customer requests a change to the information contained in a Service Order (other than a change of service date) prior to completion of installation of the Service, Customer may incur an Order Change Charge. No Order Change Charge will be incurred, however, if such requested change is administrative in nature (i.e., billing address, contact information, etc.).

B. Reserved for future use.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networkx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.14 Payment Arrangements (cont'd)

2.14.5 Ancillary Services and Charges (cont'd)

C. Cancellation of Service Order

If Customer desires to cancel a Service Order prior to installation and acceptance of the service, Customer will be assessed an Order Cancellation Charge as well a charge to reimburse the Company for any out of pocket expenses incurred by the Company in preparation to provide the service. Out of pocket expenses include but are not limited to the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.15 Outage Credits for Interruptions in Service

2.15.1 General

- A. An Outage Credit will be given when service is interrupted in a duration equal to or greater than two (2) consecutive hours, except as specified below. For DS-3 and Optical SONET service, an interruption occurs when there has been a loss of signal or when two consecutive 15 second loop-back tests confirm the observation of a bit error rate equal to or worse than 1×10^{-6} .
- B. An interruption period begins upon the earlier of the Company's actual knowledge of the interruption or the Company's receipt of notice from the Customer of the interruption. An interruption period ends when the service, facility or circuit is operative.
- C. A Customer shall be entitled to an Outage Credit upon the Company's receipt of the Customer's written request for such Outage Credit.
- D. The Outage Credit shall be in the amount of 1/720 of the monthly recurring charge for the service for each hour in excess of the first two (2) consecutive hours that the service is interrupted.
- D. All Outage Credits shall be credited on the Customer's next monthly invoice for the affected service.
- E. The Outage Credit as set forth in this section shall be the sole and exclusive remedy of a Customer in the event of any interruption.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.15 Allowances for Interruptions in Service (cont'd)

2.15.2 Limitations of Outage Credits

No Outage Credit will be made for any interruption in service that is:

- A. Of a duration of less than two (2) consecutive hours;
- B. Caused by the Customer or others authorized by the Customer to use the service;
- C. Due to scheduled maintenance where the Customer has been notified of the scheduled maintenance in advance;
- D. Caused by an interruption or failure on another carrier's network connected to the service of the Company;
- E. Due to the failure of power, facilities, equipment, systems, connections, or services not provided by the Company;
- F. Due to circumstances or causes beyond the control of the Company; or
- G. During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.16 Cancellation of Service

2.16.1 Cancellation of Service

Once the Actual Start Date has passed and the Customer has accepted the service, the Customer must pay for the service as indicated on the Service Order through the term indicated on such Service Order, regardless of whether the Customer is actually using the service, provided that upon thirty (30) day's prior written notice, either the Customer or the Company may, without any cancellation of service liability, cancel the affected portion of any service if the Company is prohibited by governmental authority from furnishing, or the Customer is prohibited from using such portion, or if any material rate or term contained in this tariff and relevant to the affected portion of any service is substantially changed by order of the Commission, the Federal Communications Commission, the highest court of competent jurisdiction to adjudicate the matter, or other local, state or federal government authority.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.17 Customer Liability for Unauthorized Use of the Network

2.17.1 Unauthorized Use of the Network

- A. Unauthorized use of the Network occurs when: (1) a person or entity that does not have actual, apparent, or implied authority to use the Network, obtains the Company's services provided under this Tariff; or (2) a person or entity that otherwise has actual, apparent, or implied authority to use the Network, makes fraudulent use of the Network to obtain the Company's services provided under this Tariff, or uses specific services that are not authorized.
- B. The following activities constitute fraudulent use:
- 1) Using the Network to transmit a message, locate a person, or otherwise give or obtain information, without payment for the service;
 - 2) Using or attempting to use the Network with the intent to avoid payment, either in whole or in part, of any of the Company's tariffed charges by either rearranging, tampering with, or making connections not authorized by this Tariff to any service components used to furnish the Company's services or using fraudulent means or devices, tricks, schemes, false or invalid number, false credit devices or electronic devices;
 - 3) Using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices, or electronic devices to defraud or mislead callers.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.17 Customer Liability for Unauthorized Use of the Network (cont'd)

2.17.1 Unauthorized Use of the Network (cont'd)

- C. Customers are advised that use of telecommunications equipment and services, including that provided under this Tariff, carries a risk of various forms of telecommunications fraud (including, but not limited to, toll and PBX fraud perpetrated by Users who gain access to a Customer's facilities, account numbers, security or authorization codes, etc.). Customers should take all necessary steps to restrict access to their facilities, including the equipment and services provided hereunder, and to detect and prevent unauthorized use of the equipment and services provided by the Company under this Tariff.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.17 Customer Liability for Unauthorized Use of the Network (cont'd)

2.17.2 Liability for Unauthorized Use

- A. Except as provided for elsewhere in this Tariff, the Customer is responsible for payment of all charges for services provided under this Tariff furnished to the Customer or User. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by Users or other third parties, the Customer's employees, or the public.
- B. The Customer is liable for all costs incurred as a result of unauthorized use of the Network, including service charges and any direct, indirect, special, incidental, reliance, consequential, exemplary, or punitive charges.
- C. The Customer is responsible for payment of any charges related to the suspension and/or termination of service, and any charges for reconnection of service, incurred as a result of unauthorized use of the Network.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 3 – DESCRIPTION OF SERVICE

3.1 General

Customers may order from the Company private line telecommunications transport services, subject to availability. The term “services” used in this section refers only to such intrastate telecommunications transport services between two locations traversing the Company’s end points each of which originate or terminate at a Customer’s or the Company’s designated location, unless otherwise stated in this tariff. Any service provided over a third party’s facilities, arranged for the Customer by the Company, may be provided on an ICB.

3.2 Private Line Service

3.2.1. Description

- A. Private Line Service is provided on a point-to-point basis between Customer-designated and/or Company-designated premises, points of presence, offices, and/or wire centers.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 3 – DESCRIPTION OF SERVICE (Cont'd)

3.2 Private Line Service (cont'd)

3.2.1. Description (cont'd)

- B. Private Line Service is provided only where facilities are available and where the Company can secure acceptable arrangements with underlying suppliers (for resold services), and is further subject to the technical limitations of the digital equipment used by the Company. If such equipment, new facilities or changes to existing facilities are required for the provision of this service, additional charges may apply based on the cost incurred to make the changes.
- C. Private Line Service is furnished on a full-time basis, 24 hours a day, seven days a week.
- D. Private Line Service is available in standard DS1 and DS3 offerings.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networkx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 3 – DESCRIPTION OF SERVICE (Cont'd)

3.2 Private Line Service (cont'd)

3.2.2 Application of Rates and Charges

- A. All appropriate rates and charges specified in other sections of this tariff are in addition to the monthly rates and nonrecurring charges specified in section 4. In addition to any rate or charge established in this tariff, the Customer will also be responsible for any recurring or nonrecurring charges imposed by local exchange telephone companies incurred by or on behalf of the customer in establishing and maintaining service. Such charges may be billed by the Company or directly by the local exchange company, at the Company's option.
- B. The rates for Private Line Service consist of a nonrecurring installation charge, a monthly recurring fixed rate, and a monthly recurring per mile rate measured using V&H coordinates.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 3 – DESCRIPTION OF SERVICE (Cont'd)

3.2 Private Line Service (cont'd)

3.2.2 Application of Rates and Charges (cont'd)

- E. Private Line Service rates in effect at the time the service is installed and/or as of the service order application date will be applicable until the expiration of the service commitment period. At the expiration of the Customer's commitment period, the Customer may select a new payment period option at current rates or revert to current rates on a month-to-month basis.

- F. In lieu of the rates otherwise set forth in this tariff, rates and charges, including *minimum usage, installation, special construction and recurring charges* for the Company services may be established at negotiated rates on an ICB, taking into account the nature of the facilities and services, the costs of construction and operation, the volume of traffic, the length of service commitment by the customer, and use of facilities by other customers. Such arrangements shall be considered special pricing arrangements, the terms of which will be set forth in individual customer contracts. However, unless otherwise specified, the terms, conditions, obligations and regulations set forth in this tariff shall be incorporated into, and become a part of, said contract, and shall be binding on the Company and customer. Such special pricing arrangements will be made available to similarly situated customers on a non-discriminatory basis. The Company will provide notice to the Commission for all special pricing arrangements, including ICB.

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

SECTION 4 – RATES AND CHARGES
4.1 Private Line Service

<u>Speed</u>	<u>Maximum Pt-Pt</u>	<u>Maximum Hub</u>	<u>Maximum End Link</u>	<u>Maximum Installs</u>
DS-0	\$ 500.00		\$ 350.00	\$ 2,000.00
DS-1	\$ 750.00	\$ 800.00	\$ 500.00	\$ 2,500.00
DS-3	\$ 5,000.00	\$ 4,000.00	\$ 4,000.00	\$ 2,500.00
OC-3	\$ 8,500.00	\$ 7,125.00	\$ 5,700.00	\$ 7,000.00
OC-12	\$22,800.00	\$16,860.00	\$ 12,900.00	\$ 7,000.00
OC-48	\$47,750.00	\$34,445.00	\$23,175.00	\$ 7,000.00
Fast E 10Meg	\$ 4,000.00			\$ 5,500.00
Fast E 100Meg	\$ 5,000.00			\$ 7,000.00
Gige 150	\$ 5,750.00			\$ 5,000.00
Gige 600	\$ 8,000.00			\$ 9,500.00
Gige 1000	\$ 9,500.00			\$12,000.00

 Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
 Mosaic Networx, LLC
 454 Las Gallinas Avenue, Suite 145
 San Rafael, CA 64903

SECTION 4 – RATES AND CHARGES (Cont'd)4.2 Ancillary Charges

4.2.1. Order Change Charge

<u>Speed</u>	<u>Maximum Order Change Charge</u>
DS-0	\$200.00
DS-1	\$400.00
DS-3	\$450.00
OC-3	\$950.00
OC-12	\$950.00
OC-48	\$950.00
Fast E 10Meg	\$950.00
Fast E 100Meg	\$950.00
Gige 150	\$950.00
Gige 600	\$950.00
Gige 1000	\$950.00

4.2.2 Order Cancellation Charge

<u>Speed</u>	<u>Maximum Pre-Engineering</u>	<u>Maximum Post- Engineering</u>
DS-0	\$400.00	\$2,225.00
DS-1	\$500.00	\$2,250.00
DS-3	\$1,500.00	\$2,250.00
OC-3	\$1,500.00	\$7,000.00
OC-12	\$4,500.00	\$7,000.00
OC-48	\$4,500.00	\$7,000.00
Fast E 10Meg	\$3,500.00	\$5,500.00
Fast E 100Meg	\$4,500.00	\$7,000.00
Gige 150	\$4,500.00	\$7,000.00
Gige 600	\$3,750.00	\$8,500.00
Gige 1000	\$5,000.00	\$12,000.00

Issued:

Effective:

Issued By: Tom Wierimaa, VP Finance and Regulatory
Mosaic Networx, LLC
454 Las Gallinas Avenue, Suite 145
San Rafael, CA 64903

**ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET OF DATA REQUESTS TO
MOSAIC NETWORKX LLC ("MOSAIC")
DOCKET NO. T-20777A-10-0510**

ATTACHMENT C

Financials - 2010

Mosaic Networx, LLC
Profit & Loss
January through December 2010

	<u>Jan - Dec 10</u>
Ordinary Income/Expense	
Income	
Revenue	
Total Non-Recurring Revenue	51,414.29
Total Other Revenue	39,255.28
Total Recurring Revenue	<u>2,778,849.22</u>
Total 4020 - Mosaic Agent Commission Revenue	<u>239,461.70</u>
Total Revenue	<u>3,108,980.49</u>
Total Income	3,108,980.49
Cost of Goods Sold	
Cost of Sales	
Agent Costs	
5020 - Agent Commission (Recurring)	284,768.03
5021 - Agent Commission (Non-Recurring)	<u>49,800.00</u>
Total Agent Costs	334,568.03
Total Non - Recurring Costs	32,565.20
Total Operational Costs	27,976.80
Total Other Costs	<u>-3,395.37</u>
Total Recurring Costs	<u>1,495,791.79</u>
Total Cost of Sales	<u>1,887,506.45</u>
Total COGS	<u>1,887,506.45</u>
Gross Profit	1,221,474.04
Expense	
SG&A -Selling, General & Admini	
Total Administrative Costs	30,355.31
Total Insurance	32,877.67
Total IT Expenses	29,054.40
Total Office Expenses	33,728.24
Total Other Administrative	574.06
Total Professional Fees	71,303.70
Total Selling Expenses	26,746.15
Total Travel	<u>86,885.04</u>
Total 5470 - Employee Expenses	<u>659,825.47</u>
Total SG&A -Selling, General & Admini	971,350.04

1:23 PM
01/27/11
Accrual Basis

Mosaic Networkx, LLC
Profit & Loss
January through December 2010

	<u>Jan - Dec 10</u>
Total Expense	<u>971,350.04</u>
Net Ordinary Income	<u>250,124.00</u>
Net Other Income	<u>-21,052.16</u>
Net Income	<u><u>229,071.84</u></u>

Mosaic Networx, LLC
Balance Sheet
As of December 31, 2010

	<u>Dec 31, 10</u>
ASSETS	
Current Assets	
Total Checking/Savings	733,228.98
Total Accounts Receivable	<u>259,735.73</u>
Total Other Current Assets	<u>123,364.82</u>
Total Current Assets	1,116,329.53
Total Fixed Assets	<u>30,403.41</u>
Total Other Assets	<u>- 2,504.00</u>
TOTAL ASSETS	<u><u>1,149,236.94</u></u>
LIABILITIES & EQUITY	
Liabilities	
Total Current Liabilities	<u>729,268.79</u>
Total Long Term Liabilities	<u>102,335.58</u>
Total Liabilities	<u>831,604.37</u>
Total Equity	<u>317,632.57</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,149,236.94</u></u>

**ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET OF DATA REQUESTS TO
MOSAIC NETWORKX LLC ("MOSAIC")
DOCKET NO. T-20777A-10-0510**

ATTACHMENT D

JURISDICTION	DATE CC&N GRANTED	DECISION NUMBER	SERVICE COMMENCED
California	August 20, 2009	Decision 09-08-014	Upon authorization
Nevada	August 19, 2009	CPC 2931	Upon authorization
New York	August 5, 2009	Case No. 09-01097	Upon authorization