

Hector Communications Corporation
Broadband Internet Access Services
Network Management Practices, Performance Characteristics, and
Commercial Terms and Conditions for Fixed Services

Hector Communications Corporation (“the Company”) has adopted the following network management practices, performance characteristics, and commercial terms and conditions for its broadband Internet access services in compliance with the Federal Communications Commission’s (“FCC’s) Open Internet Framework requirements (GN Docket No. 09-191 and WC Docket No. 07-52).

These practices, characteristics, terms and conditions are intended to help preserve the Internet as an open framework that enables consumer choice, freedom of expression, end-user control, competition, and freedom to innovate without permission, while permitting the Company to manage its network reasonably.

These practices, characteristics, terms and conditions are effective as of November 20, 2011. They will be maintained and updated on this website.

The Company may add, delete, or modify certain practices, performance characteristics, terms and conditions from time to time at its discretion. The Company will provide as much advance notice as practicable of such changes. It will normally endeavor to furnish notice of rate changes thirty (30) days before changes become effective, but reserves the right to use a shorter notice period when regulatory, operational, technical or other circumstances warrant.

I. Network Management Practices

The Company manages its network with the goal of providing the best practicable broadband Internet experience to all of its customers. Within the scope of its resources, it attempts to deploy and maintain adequate capacity and facilities within its own network, and to acquire sufficient Middle Mile capacity or facilities outside its service area to connect with the Internet. The Company and its staff use their best efforts to monitor, address and minimize (but do not guarantee that they can prevent) the effects of spam, viruses, security attacks, network congestion, and other phenomena that can degrade the service of affected customers.

A. Congestion Management Practices

Congestion is an Internet access service problem that can slow web browsing, downloading, and other activities of the customers during certain peak usage periods. Congestion may be caused by capacity limits and bottlenecks in a service provider’s own network, or by limitations in the capacity of the Middle Mile transport facilities and services that many rural service providers must purchase from unrelated entities to carry the traffic of their customers between their service areas and the closest Internet nodes.

The Company has experienced no recent problems with congestion.

If significant congestion problems arise in the future, the Company's approach is to determine the source of the problem, and to increase the capacity of the affected portions of its network and/or of its Middle Mile routes where warranted. In the event of congestion, all traffic is classified as best effort.

B. Application-Specific Behavior Practices

The Company does not favor or inhibit certain applications or classes of applications. Customers may use any lawful and commercially available application which they desire on the Company's network.

The Company does not normally monitor the contents of the traffic or applications of its customers. It undertakes no obligation to monitor or investigate the lawfulness of the applications used by its customers. If any party contacts the Company with a substantial allegation that an application being used by a customer is unlawful, the Company will investigate the matter (including consultation, as it deems appropriate, with attorneys, consultants, federal or state regulators, and/or federal, state or local law enforcement agencies), and will take appropriate actions to deal with the use of applications that are demonstrated to be unlawful.

Customers may occasionally develop their own applications, or modify commercially available applications. The Company will not prohibit the use of customer-developed or modified applications unless there is a reasonable belief that such applications will cause harm to its network.

The Company does not block or rate-control specific protocols or protocol ports.

The Company does not modify protocol fields in ways that are not prescribed by the applicable protocol standards.

C. Device Attachment Rules

The Company does not have any approval procedures that must be satisfied before a device can be connected to its network. Customers may use any lawful, compatible, type-accepted (if necessary) and commercially available device which they desire on the Company's network, as long as such device does not harm the network.

The Company does not normally monitor the devices used by its customers. It warns customers that some types of devices (for example, Data Over Cable Service Interface Specification ('DOCSIS') devices intended for use on cable broadband networks) may not be compatible with its fiber optic and digital subscriber line ("DSL") network.

The Company undertakes no obligation to monitor or investigate the lawfulness of the devices used by its customers. If any party contacts the Company with a substantial allegation that a device being used by a customer is unlawful, the Company will investigate the matter (including consultation, as it deems appropriate, with attorneys, consultants, federal or state regulators, and/or federal, state or local law enforcement agencies), and will take appropriate actions to deal with the use of a device that is demonstrated to be unlawful.

Customers may occasionally develop their own devices, or modify commercially available devices. The Company will not prohibit the use of lawful customer-developed or modified devices unless there is a reasonable belief that such devices will cause harm to its network.

D. Security Practices

The Company does not normally monitor the traffic of its customers. It undertakes no obligation to monitor or protect such customer traffic from spam, viruses, denial-of-service attacks, or other malicious, unlawful or unwanted activities.

The Company recognizes that customers can purchase spam filtering and anti-virus software from commercial vendors to meet their needs. The Company may from time to time offer anti-spam and/or anti-virus software or services to customers who desire to purchase them from the Company. When offered, these software or services will be described and priced in other sections of this website. Customers are free to obtain anti-spam and/or anti-virus software or services from any source they desire, as long as such software or services do not disrupt or degrade the traffic of other customers of the Company or harm the network.

A customer that is subjected to a denial-of-service attack, or similar malicious, unlawful or unwanted activity, is urged to notify the Company as soon as possible. The Company will work with the customer, other service providers, federal and state regulators, and/or law enforcement to determine the source of such activity, and to take appropriate, and technically and economically reasonable efforts to address the matter.

The Company employs commercially appropriate security procedures to protect its network and its customer records from unauthorized access by third parties. The Company does not guarantee that it can protect customers from any and/or all security breaches.

E. Traffic Blocking

The Company does not block any lawful content, applications, devices, and/or non-harmful devices.

The only potential exceptions where blocking may occur entail the unlawful or harmful circumstances set forth in Sections I.A through I.D above. The Company believes that all such circumstances constitute reasonable network management practices.

The Company does not knowingly and intentionally impair, degrade or delay the traffic on its network so as to render effectively unusable certain content, applications, services and/or non-harmful devices. However, the Company notes that congestion may from time to time impair, degrade, or delay some traffic.

The Company does not charge edge service providers of content, applications, services and/or devices any fees simply for transporting traffic between them and its customers.

II. Performance Characteristics

Many of the service and performance characteristics of the Company's broadband Internet access services are contained in the service offering portions of this website. The Company offers different tiers of service at different prices, and changes these from time to time.

A. General Service Description

Actual access speeds and time delays (latency) are impacted by the length, capacity and congestion of Middle Mile transport facilities (between the Company's service area and Internet nodes) as well as the characteristic of the Company's own network. Because conditions on these facilities and routes can change frequently, the Company can provide estimated actual access speed and latency information only for specific recent time periods requested by a customer.

The Company's service is suitable for real-time applications. The speed tier a customer subscribes to will impact the efficiency of the real-time applications.

B. Impact of Specialized Services

The Company does not offer specialized services to end-users.

III. Commercial Terms and Conditions

The commercial terms and conditions of the Company's broadband Internet access services are contained in greater detail in the internet section of the Company's website (<http://www.hectorcom.com/default.asp?page=526>). This section provides a brief overview or reference to terms and conditions detailed elsewhere, plus discussions of other terms and conditions required by the FCC's Open Internet Framework.

A. Pricing Terms and Conditions

The Company offers different tiers and levels of service at different prices, and changes these from time to time. These service tiers and prices are detailed in the service offering portion of this website (<http://www.hectorcom.com/default.asp?page=501>).

The Company does not impose usage-based fees upon certain tiers or levels of its service

The Company does not impose fees for early termination with respect to certain of its service arrangements.

The Company is willing to consider and negotiate prices for customized additional network services requested by specific customers or edge service providers if such services can be designed, developed and furnished in a commercially reasonable manner. If and when such customized services are developed and furnished, the Company reserves the right to adapt and provide them to other customers on a non-discriminatory basis so long as such subsequent provision does not entail disclosure of proprietary or confidential information of the initial customer.

B. No Unreasonable Discrimination

The Company does not unreasonably discriminate in its transmission of traffic over the broadband Internet access services of its customers. It endeavors to give its customers as much choice and control as practicable among its different service offerings and among the content, application, service and device offerings of edge service providers. When reasonable network

management practices entail differential treatment of traffic, the Company does not discriminate among specific uses, or classes of uses, of its network.

The Company does not impair, degrade or delay VoIP applications or services that compete with its voice services and those of its affiliates.

The Company does not impair, degrade, delay or otherwise inhibit access by its customers to lawful content, applications, services or non-harmful devices.

The Company does not impair free expression by actions such as slowing traffic from particular websites or blogs.

The Company does not use or demand “pay-for-priority” or similar arrangements that directly or indirectly favor some traffic over other traffic.

The Company does not prioritize its own content, application, services, or devices, or those of its affiliates.

C. Privacy Policies

As indicated above, the Company’s network management practices do not generally entail inspection of network traffic.

The Company retains and stores certain traffic information (such as the identity of the customer using a particular IP address during a specific period) for time periods required by federal or state law.

The Company retains, stores and provides to law enforcement any traffic information requested pursuant to the procedures of the Communications Assistance for Law Enforcement Act (“CALEA”), the Foreign Intelligence Surveillance Act (“FISA”) or other applicable national security or criminal statutes.

The Company does not collect, store or use traffic information to profile its customers in order to sell additional services to them, or for similar non-network management purposes.

D. Redress Options

Questions and complaints regarding the foregoing matters should be addressed to **Hector Communications Corporation** at **507-354-2500**.

The Company strongly desires to resolve questions, complaints and other problems of its customers and edge service providers in an informal and direct manner that satisfies all interested parties to the greatest extent practicable. Customers and edge service providers that are not able to obtain satisfaction from the Company have the option of invoking the FCC’s informal and formal complaint procedures regarding Open Internet Framework disputes.