

**RESALE
AGREEMENT
BETWEEN
BELLSOUTH TELECOMMUNICATIONS INC.
AND
<<customer_name>>**

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Attachment 1 - Resale

AGREEMENT

THIS AGREEMENT is made by and between BellSouth Telecommunications, Inc., (“BellSouth”), a Georgia corporation, and Credit Loans, Inc., d/b/a Lone Star State Telephone Company (“Lone Star State Telephone Company”), a Texas corporation, and shall be deemed effective as of the date of the last signature of both Parties (“Effective Date”). This Agreement may refer to either BellSouth or Lone Star State Telephone Company or both as a “Party” or “Parties.”

WITNESSETH

WHEREAS, BellSouth is a local exchange telecommunications company authorized to provide telecommunications services in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee; and

WHEREAS, Lone Star State Telephone Company is or seeks to become a CLEC authorized to provide telecommunications services in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; and

WHEREAS, Lone Star State Telephone Company wishes to resell BellSouth’s telecommunications services and purchase network elements and other services, and the Parties wish to interconnect their facilities and exchange traffic pursuant to sections 251 and 252 of the Act.

NOW THEREFORE, in consideration of the mutual agreements contained herein, BellSouth and Lone Star State Telephone Company agree as follows:

1. **Definitions**

Affiliate is defined as a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term “own” means to own an equity interest (or equivalent thereof) of more than 10 percent.

Commission is defined as the appropriate regulatory agency in each of BellSouth’s nine-state region, Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee.

Competitive Local Exchange Carrier (CLEC) means a telephone company certificated by the Commission to provide local exchange service within BellSouth’s franchised area.

End User means the ultimate user of the Telecommunications Service.

FCC means the Federal Communication Commission.

Telecommunications means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

Telecommunications Service means the offering of telecommunications for a fee directly to the public or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

Telecommunications Act of 1996 ("Act") means Public Law 104-104 of the United States Congress effective February 8, 1996. The Act amended the Communications Act of 1934 (47 U.S.C. Section 1 et. seq.).

2. Term of the Agreement

2.1 The term of this Agreement shall be two years, beginning on the Effective Date and shall apply to the state(s) of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.

2.2 The Parties agree that by no earlier than two hundred seventy (270) days and no later than one hundred and eighty (180) days prior to the expiration of this Agreement, they shall commence negotiations for a new agreement to be effective beginning on the expiration date of this Agreement ("Subsequent Agreement"). If as of the expiration of this Agreement, a Subsequent Agreement has not been executed by the Parties, then except as set forth in Section 2.3.2 below, this Agreement shall continue on a month-to-month basis while a Subsequent Agreement is being negotiated. The Parties' rights and obligations with respect to this Agreement after expiration shall be as set forth in Section 2.3 below.

2.3 If, within one hundred and thirty-five (135) days of commencing the negotiation referred to in Section 2.2 above, the Parties are unable to negotiate new terms, conditions and prices for a Subsequent Agreement, either Party may petition the Commission to establish appropriate terms, conditions and prices for the Subsequent Agreement pursuant to 47 U.S.C. 252. In the event the Commission does not issue its order prior to the expiration date of this Agreement, or if the Parties continue beyond the expiration date of this Agreement to negotiate the Subsequent Agreement without Commission intervention, the terms, conditions and prices ultimately ordered by the Commission, or negotiated by the Parties, will be effective retroactive to the day following the expiration date of this Agreement.

2.3.1 Except as set forth in Section 2.3.2 below, Notwithstanding the foregoing, in the event that as of the date of expiration of this Agreement and conversion of this Agreement to a month-to-month term, the Parties have not entered into a Subsequent Agreement and no arbitration proceeding has been filed in accordance with Section 2.3 above, then either Party may terminate this Agreement upon sixty (60) days notice to the other Party. In the event that BellSouth terminates this Agreement as provided above, BellSouth shall continue to offer services to Lone Star State

Telephone Company pursuant to the terms, conditions and rates set forth in BellSouth's Statement of Generally Available Terms (SGAT) to the extent an SGAT has been approved by the applicable Commission(s). If any state Commission has not approved a BellSouth SGAT, then upon BellSouth's termination of this Agreement as provided herein, BellSouth will continue to provide services to Lone Star State Telephone Company pursuant to BellSouth's then current standard interconnection agreement. In the event that the SGAT or BellSouth's standard interconnection agreement becomes effective as between the Parties, the Parties may continue to negotiate a Subsequent Agreement, and the terms of such Subsequent Agreement shall be effective as of the date of execution.

2.3.2 Notwithstanding Section 2.3 above, in the event that as of the date of expiration of this Agreement the Parties have not entered into a Subsequent Agreement and (1) no arbitration proceeding has been filed in accordance with Section 2.2 above, and (2) Lone Star State Telephone Company either is not certified as a CLEC in any particular state to which this Agreement applies or has not ordered any services under this Agreement as of the date of expiration, then this Agreement shall not continue on a month to month basis but shall be deemed terminated as of the expiration date hereof.

3. Operational Support Systems

Lone Star State Telephone Company shall pay charges for Operational Support Systems (OSS) as set forth in this Agreement in Attachment 1 and/or in Attachments 2, 3 and 5, as applicable.

4. Parity

When Lone Star State Telephone Company purchases, pursuant to Attachment 1 of this Agreement, telecommunications services from BellSouth for the purposes of resale to end users, BellSouth shall provide said services so that the services are equal in quality, subject to the same conditions, and provided within the same provisioning time intervals that BellSouth provides to its affiliates, subsidiaries and end users. To the extent technically feasible, the quality of a Network Element, as well as the quality of the access to such Network Element provided by BellSouth to Lone Star State Telephone Company shall be at least equal in quality to that which BellSouth provides to itself, its affiliates or any other telecommunications carrier. The quality of the interconnection between the networks of BellSouth and the network of Lone Star State Telephone Company shall be at a level that is equal to that which BellSouth provides itself, a subsidiary, an Affiliate, or any other party. The interconnection facilities shall be designed to meet the same technical criteria and service standards that are used within BellSouth's network and shall extend to a consideration of service quality as perceived by end users and service quality as perceived by Lone Star State Telephone Company.

5. White Pages Listings

5.1 BellSouth shall provide Lone Star State Telephone Company and their customers access to white pages directory listings under the following terms:

5.2. Listings. Lone Star State Telephone Company shall provide all new, changed and deleted listings on a timely basis and BellSouth or its agent will include Lone Star State Telephone Company residential and business customer listings in the appropriate White Pages (residential and business) or alphabetical directories. Directory listings will make no distinction between Lone Star State Telephone Company and BellSouth subscribers.

5.2.1 Rates. So long as Lone Star State Telephone Company provides subscriber listing information to BellSouth in accordance with Section 5.3 below, BellSouth shall provide to Lone Star State Telephone Company one (1) primary White Pages listing per Lone Star State Telephone Company subscriber at no charge other than applicable service order charges as set forth in BellSouth's tariffs.

5.3 Procedures for Submitting Lone Star State Telephone Company Subscriber Information are found in The BellSouth Business Rules for Local Ordering.

5.3.1 Notwithstanding any provision(s) to the contrary, Lone Star State Telephone Company shall provide to BellSouth, and BellSouth shall accept, Lone Star State Telephone Company's Subscriber Listing Information (SLI) relating to Lone Star State Telephone Company's customers in the geographic area(s) covered by this Interconnection Agreement. Lone Star State Telephone Company authorizes BellSouth to release all such Lone Star State Telephone Company SLI provided to BellSouth by Lone Star State Telephone Company to qualifying third parties via either license agreement or BellSouth's Directory Publishers Database Service (DPDS), General Subscriber Services Tariff, Section A38.2, as the same may be amended from time to time. Such Lone Star State Telephone Company SLI shall be intermingled with BellSouth's own customer listings and listings of any other CLEC that has authorized a similar release of SLI. Where necessary, BellSouth will use good faith efforts to obtain state commission approval of any necessary modifications to Section A38.2 of its tariff to provide for release of third party directory listings, including modifications regarding listings to be released pursuant to such tariff and BellSouth's liability thereunder. BellSouth's obligation pursuant to this Section shall not arise in any particular state until the commission of such state has approved modifications to such tariff.

5.3.2 No compensation shall be paid to Lone Star State Telephone Company for BellSouth's receipt of Lone Star State Telephone Company SLI, or for the subsequent release to third parties of such SLI. In addition, to the extent BellSouth incurs costs to modify its systems to enable the release of Lone Star State Telephone Company's SLI, or costs on an ongoing basis to administer the release of Lone Star State Telephone Company SLI, Lone Star State Telephone

Company shall pay to BellSouth its proportionate share of the reasonable costs associated therewith.

- 5.3.3 BellSouth shall not be liable for the content or accuracy of any SLI provided by Lone Star State Telephone Company under this Agreement. Lone Star State Telephone Company shall indemnify, hold harmless and defend BellSouth and its agents from and against any damages, losses, liabilities, demands claims, suits, judgments, costs and expenses (including but not limited to reasonable attorneys' fees and expenses) arising from BellSouth's tariff obligations or otherwise and resulting from or arising out of any third party's claim of inaccurate Lone Star State Telephone Company listings or use of the SLI provided pursuant to this Agreement. BellSouth may forward to Lone Star State Telephone Company any complaints received by BellSouth relating to the accuracy or quality of Lone Star State Telephone Company listings.
- 5.3.4 Listings and subsequent updates will be released consistent with BellSouth system changes and/or update scheduling requirements.
- 5.4 Unlisted/Non-Published Subscribers. Lone Star State Telephone Company will be required to provide to BellSouth the names, addresses and telephone numbers of all Lone Star State Telephone Company customers that wish to be omitted from directories.
- 5.5 Inclusion of Lone Star State Telephone Company Customers in Directory Assistance Database. BellSouth will include and maintain Lone Star State Telephone Company subscriber listings in BellSouth's Directory Assistance databases at no recurring charge and Lone Star State Telephone Company shall provide such Directory Assistance listings at no recurring charge. BellSouth and Lone Star State Telephone Company will formulate appropriate procedures regarding lead-time, timeliness, format and content of listing information.
- 5.6 Listing Information Confidentiality. BellSouth will accord Lone Star State Telephone Company's directory listing information the same level of confidentiality that BellSouth accords its own directory listing information, and BellSouth shall limit access to Lone Star State Telephone Company's customer proprietary confidential directory information to those BellSouth employees or agents who are involved in the preparation of listings or directories.
- 5.7 Optional Listings. Additional listings and optional listings will be offered by BellSouth at tariffed rates as set forth in the General Subscriber Services Tariff.
- 5.8 Delivery. BellSouth or its agent shall deliver White Pages directories to Lone Star State Telephone Company subscribers at no charge or as specified in a separate BAPCO agreement.

6. Bona Fide Request/New Business Request Process for Further Unbundling

6.1 BellSouth shall, upon request of Lone Star State Telephone Company, provide to Lone Star State Telephone Company access to its network elements at any technically feasible point for the provision of Lone Star State Telephone Company's telecommunications service where such access is necessary and failure to provide access would impair the ability of Lone Star State Telephone Company to provide services that it seeks to offer. Any request by Lone Star State Telephone Company for access to a network element, interconnection option, or for the provisioning of any service or product that is not already available shall be treated as a Bona Fide Request/New Business Request (BFR/NBR), and shall be submitted to BellSouth pursuant to the BFR/NBR process.

6.2 Lone Star State Telephone Company shall submit any BFR/NBR in writing to Lone Star State Telephone Company's Account Manager. The BFR/NBR shall specifically identify the requested service date, technical requirements, space requirements and/or such specifications that clearly define the request such that BellSouth has sufficient information to analyze and prepare a response. The BFR/NBR also shall include Lone Star State Telephone Company's designation of the request as being (i) pursuant to the Telecommunications Act of 1996 or (ii) pursuant to the needs of the business.

7. Court Ordered Requests for Call Detail Records and Other Subscriber Information

7.1 Subpoenas Directed to BellSouth. Where BellSouth provides resold services or local switching for Lone Star State Telephone Company, BellSouth shall respond to subpoenas and court ordered requests delivered directly to BellSouth for the purpose of providing call detail records when the targeted telephone numbers belong to Lone Star State Telephone Company end users. Billing for such requests will be generated by BellSouth and directed to the law enforcement agency initiating the request. BellSouth shall maintain such information for Lone Star State Telephone Company end users for the same length of time it maintains such information for its own end users.

7.2 Subpoenas Directed to Lone Star State Telephone Company. Where BellSouth is providing to Lone Star State Telephone Company telecommunications services for resale or providing to Lone Star State Telephone Company the local switching function, then Lone Star State Telephone Company agrees that in those cases where Lone Star State Telephone Company receives subpoenas or court ordered requests regarding targeted telephone numbers belonging to Lone Star State Telephone Company end users, and where Lone Star State Telephone Company does not have the requested information, Lone Star State Telephone Company will advise the law enforcement agency initiating the request to redirect the subpoena or court ordered request to BellSouth for handling in accordance with 7.1 above.

7.3 In all other instances, where either Party receives a request for information involving the other Party's end user, the Party receiving the request will advise the law enforcement agency initiating the request to redirect such request to the other Party.

8. Liability and Indemnification

8.1 Lone Star State Telephone Company Liability. In the event that Lone Star State Telephone Company consists of two (2) or more separate entities as set forth in this Agreement and/or any Amendments hereto, all such entities shall be jointly and severally liable for the obligations of Lone Star State Telephone Company under this Agreement.

8.2 Liability for Acts or Omissions of Third Parties. BellSouth shall not be liable to Lone Star State Telephone Company for any act or omission of another telecommunications company providing services to Lone Star State Telephone Company.

8.3 Limitation of Liability

8.3.1 Except for any indemnification obligations of the Parties hereunder, each Party's liability to the other for any loss, cost, claim, injury or liability or expense, including reasonable attorney's fees relating to or arising out of any negligent act or omission in its performance of this Agreement whether in contract or in tort, shall be limited to a credit for the actual cost of the services or functions not performed or improperly performed.

8.3.2 Limitations in Tariffs. A Party may, in its sole discretion, provide in its tariffs and contracts with its End Users and third parties that relate to any service, product or function provided or contemplated under this Agreement, that to the maximum extent permitted by Applicable Law, such Party shall not be liable to the End User or third Party for (i) any loss relating to or arising out of this Agreement, whether in contract, tort or otherwise, that exceeds the amount such Party would have charged that applicable person for the service, product or function that gave rise to such loss and (ii) Consequential Damages. To the extent that a Party elects not to place in its tariffs or contracts such limitations of liability, and the other Party incurs a loss as a result thereof, such Party shall indemnify and reimburse the other Party for that portion of the loss that would have been limited had the first Party included in its tariffs and contracts the limitations of liability that such other Party included in its own tariffs at the time of such loss.

8.3.3 Neither BellSouth nor Lone Star State Telephone Company shall be liable for damages to the other Party's terminal location, equipment or End User premises resulting from the furnishing of a service, including, but not limited to, the installation and removal of equipment or associated wiring, except to the extent

caused by a Party's negligence or willful misconduct or by a Party's failure to ground properly a local loop after disconnection.

- 8.3.4 Under no circumstance shall a Party be responsible or liable for indirect, incidental, or consequential damages, including, but not limited to, economic loss or lost business or profits, damages arising from the use or performance of equipment or software, or the loss of use of software or equipment, or accessories attached thereto, delay, error, or loss of data. In connection with this limitation of liability, each Party recognizes that the other Party may, from time to time, provide advice, make recommendations, or supply other analyses related to the Services, or facilities described in this Agreement, and, while each Party shall use diligent efforts in this regard, the Parties acknowledge and agree that this limitation of liability shall apply to provision of such advice, recommendations, and analyses.
- 8.3.5 To the extent any specific provision of this Agreement purports to impose liability, or limitation of liability, on either Party different from or in conflict with the liability or limitation of liability set forth in this Section, then with respect to any facts or circumstances covered by such specific provisions, the liability or limitation of liability contained in such specific provision shall apply.
- 8.4 Indemnification for Certain Claims. The Party providing services hereunder, its affiliates and its parent company, shall be indemnified, defended and held harmless by the Party receiving services hereunder against any claim, loss or damage arising from the receiving company's use of the services provided under this Agreement pertaining to (1) claims for libel, slander or invasion of privacy arising from the content of the receiving company's own communications, or (2) any claim, loss or damage claimed by the End User of the Party receiving services arising from such company's use or reliance on the providing company's services, actions, duties, or obligations arising out of this Agreement.
- 8.5 Disclaimer. EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES TO THE OTHER PARTY CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES, OR FACILITIES PROVIDED UNDER THIS AGREEMENT. THE PARTIES DISCLAIM, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.

9. Intellectual Property Rights and Indemnification

- 9.1 No License. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Lone Star State Telephone Company is strictly prohibited from any use, including but not limited to in sales, in marketing or advertising of telecommunications services, of any BellSouth name, service mark or trademark. Notwithstanding the foregoing, Lone Star State

Telephone Company may use BellSouth's name solely in response to inquiries of customers or potential customers regarding the source of the underlying service or the identity of repair or service technicians under this Agreement.

- 9.2 Ownership of Intellectual Property. Any intellectual property which originates from or is developed by a Party shall remain the exclusive property of that Party. Except for a limited license to use patents or copyrights to the extent necessary for the Parties to use any facilities or equipment (including software) or to receive any service solely as provided under this Agreement, no license in patent, copyright, trademark or trade secret, or other proprietary or intellectual property right now or hereafter owned, controlled or licensable by a Party, is granted to the other Party or shall be implied or arise by estoppel. It is the responsibility of each Party to ensure at no additional cost to the other Party that it has obtained any necessary licenses in relation to intellectual property of third Parties used in its network that may be required to enable the other Party to use any facilities or equipment (including software), to receive any service, or to perform its respective obligations under this Agreement.
- 9.3 Indemnification. The Party providing a service pursuant to this Agreement will defend the Party receiving such service or data provided as a result of such service against claims of infringement arising solely from the use by the receiving Party of such service in the manner contemplated under this Agreement and will indemnify the receiving Party for any damages awarded based solely on such claims in accordance with Section 8 of this Agreement.
- 9.4 Claim of Infringement. In the event that use of any facilities or equipment (including software), becomes, or in the reasonable judgment of the Party who owns the affected network is likely to become, the subject of a claim, action, suit, or proceeding based on intellectual property infringement, then said Party shall promptly and at its sole expense and sole option, but subject to the limitations of liability set forth below:
- 9.4.1 modify or replace the applicable facilities or equipment (including software) while maintaining form and function, or
- 9.4.2 obtain a license sufficient to allow such use to continue.
- 9.4.3 In the event 9.4.1 or 9.4.2 are commercially unreasonable, then said Party may, terminate, upon reasonable notice, this contract with respect to use of, or services provided through use of, the affected facilities or equipment (including software), but solely to the extent required to avoid the infringement claim.
- 9.5 Exception to Obligations. Neither Party's obligations under this Section shall apply to the extent the infringement is caused by: (i) modification of the facilities or equipment (including software) by the indemnitee; (ii) use by the indemnitee of the facilities or equipment (including software) in combination with equipment or

facilities (including software) not provided or authorized by the indemnitor, provided the facilities or equipment (including software) would not be infringing if used alone; (iii) conformance to specifications of the indemnitee which would necessarily result in infringement; or (iv) continued use by the indemnitee of the affected facilities or equipment (including software) after being placed on notice to discontinue use as set forth herein.

9.6 Exclusive Remedy. The foregoing shall constitute the Parties' sole and exclusive remedies and obligations with respect to a third party claim of intellectual property infringement arising out of the conduct of business under this Agreement.

10. **Proprietary and Confidential Information**

10.1 Proprietary and Confidential Information. It may be necessary for BellSouth and Lone Star State Telephone Company, each as the “Discloser,” to provide to the other Party, as “Recipient,” certain proprietary and confidential information (including trade secret information) including but not limited to technical, financial, marketing, staffing and business plans and information, strategic information, proposals, request for proposals, specifications, drawings, maps, prices, costs, costing methodologies, procedures, processes, business systems, software programs, techniques, customer account data, call detail records and like information (collectively the “Information”). All such Information conveyed in writing or other tangible form shall be clearly marked with a confidential or proprietary legend. Information conveyed orally by the Discloser to Recipient shall be designated as proprietary and confidential at the time of such oral conveyance, shall be reduced to writing by the Discloser within forty-five (45) days thereafter, and shall be clearly marked with a confidential or proprietary legend.

10.2 Use and Protection of Information. Recipient agrees to protect such Information of the Discloser provided to Recipient from whatever source from distribution, disclosure or dissemination to anyone except employees of Recipient with a need to know such Information solely in conjunction with Recipient’s analysis of the Information and for no other purpose except as authorized herein or as otherwise authorized in writing by the Discloser. Recipient will not make any copies of the Information inspected by it.

10.3 Exceptions. Recipient will not have an obligation to protect any portion of the Information which:
(a) is made publicly available by the Discloser or lawfully by a nonparty to this Agreement; (b) is lawfully obtained by Recipient from any source other than Discloser; (c) is previously known to Recipient without an obligation to keep it confidential; or (d) is released from the terms of this Agreement by Discloser upon written notice to Recipient.

10.4 Recipient agrees to use the Information solely for the purposes of negotiations pursuant to 47 U.S.C. 251 or in performing its obligations under this Agreement and

for no other entity or purpose, except as may be otherwise agreed to in writing by the Parties. Nothing herein shall prohibit Recipient from providing information requested by the Federal Communications Commission or a state regulatory agency with jurisdiction over this matter, or to support a request for arbitration or an allegation of failure to negotiate in good faith.

- 10.5 Recipient agrees not to publish or use the Information for any advertising, sales promotions, press releases, or publicity matters that refer either directly or indirectly to the Information or to the Discloser or any of its affiliated companies.
- 10.6 The disclosure of Information neither grants nor implies any license to the Recipient under any trademark, patent, copyright, or application which is now or may hereafter be owned by the Discloser.
- 10.7 Survival of Confidentiality Obligations. The Parties' rights and obligations under this Section 10 shall survive and continue in effect until two (2) years after the expiration or termination date of this Agreement with regard to all Information exchanged during the term of this Agreement. Thereafter, the Parties' rights and obligations hereunder survive and continue in effect with respect to any Information that is a trade secret under applicable law.

11. Assignments

Any assignment by either Party to any non-affiliated entity of any right, obligation or duty or of any other interest hereunder, in whole or in part, without the prior written consent of the other Party shall be void. A Party may assign this Agreement or any right, obligation, duty or other interest hereunder to an Affiliate of the Party without the consent of the other Party; provided, however, that the assigning Party shall notify the other Party in writing of such assignment thirty (30) days prior to the Effective Date thereof and, provided further, if the assignee is an assignee of Lone Star State Telephone Company, the assignee must provide evidence of Commission CLEC certification. The Parties shall amend this Agreement to reflect such assignments and shall work cooperatively to implement any changes required due to such assignment. All obligations and duties of any Party under this Agreement shall be binding on all successors in interest and assigns of such Party. No assignment or delegation hereof shall relieve the assignor of its obligations under this Agreement in the event that the assignee fails to perform such obligations.

12. Resolution of Disputes

Except as otherwise stated in this Agreement, if any dispute arises as to the interpretation of any provision of this Agreement or as to the proper implementation of this Agreement, the aggrieved Party shall petition the Commission for a resolution of the dispute. However, each Party reserves any rights it may have to seek judicial review of any ruling made by the Commission concerning this Agreement.

13. Taxes

- 13.1 Definition. For purposes of this Section, the terms “taxes” and “fees” shall include but not limited to federal, state or local sales, use, excise, gross receipts or other taxes or tax-like fees of whatever nature and however designated (including tariff surcharges and any fees, charges or other payments, contractual or otherwise, for the use of public streets or rights of way, whether designated as franchise fees or otherwise) imposed, or sought to be imposed, on or with respect to the services furnished hereunder or measured by the charges or payments therefore, excluding any taxes levied on income.
- 13.2 Taxes and Fees Imposed Directly On Either Providing Party or Purchasing Party.
- 13.2.1 Taxes and fees imposed on the providing Party, which are not permitted or required to be passed on by the providing Party to its customer, shall be borne and paid by the providing Party.
- 13.2.2 Taxes and fees imposed on the purchasing Party, which are not required to be collected and/or remitted by the providing Party, shall be borne and paid by the purchasing Party.
- 13.3 Taxes and Fees Imposed on Purchasing Party But Collected And Remitted By Providing Party.
- 13.3.1 Taxes and fees imposed on the purchasing Party shall be borne by the purchasing Party, even if the obligation to collect and/or remit such taxes or fees is placed on the providing Party.
- 13.3.2 To the extent permitted by applicable law, any such taxes and/or fees shall be shown as separate items on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party shall remain liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.
- 13.3.3 If the purchasing Party determines that in its opinion any such taxes or fees are not payable, the providing Party shall not bill such taxes or fees to the purchasing Party if the purchasing Party provides written certification, reasonably satisfactory to the providing Party, stating that it is exempt or otherwise not subject to the tax or fee, setting forth the basis therefor, and satisfying any other requirements under applicable law. If any authority seeks to collect any such tax or fee that the purchasing Party has determined and certified not to be payable, or any such tax or fee that was not billed by the providing Party, the purchasing Party may contest the same in good faith, at its own expense. In any such contest, the purchasing Party shall promptly furnish the providing Party with copies of all filings in any

proceeding, protest, or legal challenge, all rulings issued in connection therewith, and all correspondence between the purchasing Party and the taxing authority.

- 13.3.4 In the event that all or any portion of an amount sought to be collected must be paid in order to contest the imposition of any such tax or fee, or to avoid the existence of a lien on the assets of the providing Party during the pendency of such contest, the purchasing Party shall be responsible for such payment and shall be entitled to the benefit of any refund or recovery.
- 13.3.5 If it is ultimately determined that any additional amount of such a tax or fee is due to the imposing authority, the purchasing Party shall pay such additional amount, including any interest and penalties thereon.
- 13.3.6 Notwithstanding any provision to the contrary, the purchasing Party shall protect, indemnify and hold harmless (and defend at the purchasing Party's expense) the providing Party from and against any such tax or fee, interest or penalties thereon, or other charges or payable expenses (including reasonable attorney fees) with respect thereto, which are incurred by the providing Party in connection with any claim for or contest of any such tax or fee.
- 13.3.7 Each Party shall notify the other Party in writing of any assessment, proposed assessment or other claim for any additional amount of such a tax or fee by a taxing authority; such notice to be provided, if possible, at least ten (10) days prior to the date by which a response, protest or other appeal must be filed, but in no event later than thirty (30) days after receipt of such assessment, proposed assessment or claim.
- 13.4 Taxes and Fees Imposed on Providing Party But Passed On To Purchasing Party.
- 13.4.1 Taxes and fees imposed on the providing Party, which are permitted or required to be passed on by the providing Party to its customer, shall be borne by the purchasing Party.
- 13.4.2 To the extent permitted by applicable law, any such taxes and/or fees shall be shown as separate items on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party shall remain liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.
- 13.4.3 If the purchasing Party disagrees with the providing Party's determination as to the application or basis for any such tax or fee, the Parties shall consult with respect to the imposition and billing of such tax or fee. Notwithstanding the foregoing, the providing Party shall retain ultimate responsibility for determining whether and to what extent any such taxes or fees are applicable, and the purchasing Party shall abide by such determination and pay such taxes or fees to the providing Party. The providing Party shall further retain ultimate responsibility for determining whether and how to contest the imposition of such taxes and fees; provided, however, that

any such contest undertaken at the request of the purchasing Party shall be at the purchasing Party's expense.

- 13.4.4 In the event that all or any portion of an amount sought to be collected must be paid in order to contest the imposition of any such tax or fee, or to avoid the existence of a lien on the assets of the providing Party during the pendency of such contest, the purchasing Party shall be responsible for such payment and shall be entitled to the benefit of any refund or recovery.
- 13.4.5 If it is ultimately determined that any additional amount of such a tax or fee is due to the imposing authority, the purchasing Party shall pay such additional amount, including any interest and penalties thereon.
- 13.4.6 Notwithstanding any provision to the contrary, the purchasing Party shall protect indemnify and hold harmless (and defend at the purchasing Party's expense) the providing Party from and against any such tax or fee, interest or penalties thereon, or other reasonable charges or payable expenses (including reasonable attorney fees) with respect thereto, which are incurred by the providing Party in connection with any claim for or contest of any such tax or fee.
- 13.4.7 Each Party shall notify the other Party in writing of any assessment, proposed assessment or other claim for any additional amount of such a tax or fee by a taxing authority; such notice to be provided, if possible, at least ten (10) days prior to the date by which a response, protest or other appeal must be filed, but in no event later than thirty (30) days after receipt of such assessment, proposed assessment or claim.
- 13.5 Mutual Cooperation. In any contest of a tax or fee by one Party, the other Party shall cooperate fully by providing records, testimony and such additional information or assistance as may reasonably be necessary to pursue the contest. Further, the other Party shall be reimbursed for any reasonable and necessary out-of-pocket copying and travel expenses incurred in assisting in such contest.

14. Force Majeure

In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Customer, or any other circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon giving prompt notice to the other Party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); provided however, that the Party so

affected shall use diligent efforts to avoid or remove such causes of non-performance and both Parties shall proceed whenever such causes are removed or cease.

15. Adoption of Agreements

BellSouth shall make available, pursuant to 47 USC § 252 and the FCC rules and regulations regarding such availability, to Lone Star State Telephone Company any interconnection, service, or network element provided under any other agreement filed and approved pursuant to 47 USC § 252, provided a minimum of six months remains on the term of such Agreement. The Parties shall adopt all rates, terms and conditions concerning such other interconnection, service or network element and any other rates, terms and conditions that are legitimately related to or were negotiated in exchange for or in conjunction with the interconnection, service or network element being adopted. The adopted interconnection, service, or network element and agreement shall apply to the same states as such other agreement. The term of the adopted agreement or provisions shall expire on the same date as set forth in the agreement that was adopted.

16. Modification of Agreement

16.1 If Lone Star State Telephone Company changes its name or makes changes to its company structure or identity due to a merger, acquisition, transfer or any other reason, it is the responsibility of Lone Star State Telephone Company to notify BellSouth of said change and request that an amendment to this Agreement, if necessary, be executed to reflect said change.

16.2 No modification, amendment, supplement to, or waiver of the Agreement or any of its provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties.

16.3 In the event that any effective legislative, regulatory, judicial or other legal action materially affects any material terms of this Agreement, or the ability of Lone Star State Telephone Company or BellSouth to perform any material terms of this Agreement, Lone Star State Telephone Company or BellSouth may, on thirty (30) days' written notice require that such terms be renegotiated, and the Parties shall renegotiate in good faith such mutually acceptable new terms as may be required. In the event that such new terms are not renegotiated within ninety (90) days after such notice, the Dispute shall be referred to the Dispute Resolution procedure set forth in this Agreement.

16.4 Notwithstanding anything to the contrary in this Agreement, this Agreement shall not be amended or modified after the expiration date hereof as set forth in Section 2 above.

17. Non-waiver of Legal Rights

Execution of this Agreement by either Party does not confirm or infer that the executing Party agrees with any decision(s) issued pursuant to the Telecommunications Act of 1996 and the consequences of those decisions on specific language in this

Agreement. Neither Party waives its rights to appeal or otherwise challenge any such decision(s) and each Party reserves all of its rights to pursue any and all legal and/or equitable remedies, including appeals of any such decision(s).

18. Severability

If any provision of this Agreement, or the application of such provision to either Party or circumstance, shall be held invalid, the remainder of the Agreement, or the application of any such provision to the Parties or circumstances other than those to which it is held invalid, shall not be affected thereby, provided that the Parties shall attempt to reformulate such invalid provision to give effect to such portions thereof as may be valid without defeating the intent of such provision.

19. Waivers

A failure or delay of either Party to enforce any of the provisions hereof, to exercise any option which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options, and each Party, notwithstanding such failure, shall have the right thereafter to insist upon the performance of any and all of the provisions of this Agreement.

20. Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Georgia, without regard to its conflict of laws principles.

21. Arm's Length Negotiations

This Agreement was executed after arm's length negotiations between the undersigned Parties and reflects the conclusion of the undersigned that this Agreement is in the best interests of all Parties.

22. Notices

22.1 Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered by hand, by overnight courier or by US mail postage prepaid, address to:

BellSouth Telecommunications, Inc.

Account Team
600 North 19th Street
Birmingham, Alabama 35203

and

General Attorney - COU
Suite 4300
675 W. Peachtree St.
Atlanta, GA 30375

Credit Loans, Inc., d/b/a Lone Star State Telephone Company

Mr. Larry Miller, President
137 N Main Street
Conroe, TX 77301
(936) 788-5580

or at such other address as the intended recipient previously shall have designated by written notice to the other Party.

22.2 Unless otherwise provided in this Agreement, notice by mail shall be effective on the date it is officially recorded as delivered by return receipt or equivalent, and in the absence of such record of delivery, it shall be presumed to have been delivered the fifth day, or next business day after the fifth day, after it was deposited in the mails.

22.3 Notwithstanding the foregoing, BellSouth may provide Lone Star State Telephone Company notice via Internet posting of price changes, changes to the terms and conditions of services available for resale per Commission Orders. BellSouth will also post changes to business processes and policies, notices of new service offerings, and changes to service offerings not requiring an amendment to this Agreement, notices required to be posted to BellSouth's website, and any other information of general applicability to CLECs.

23. Rule of Construction

No rule of construction requiring interpretation against the drafting Party hereof shall apply in the interpretation of this Agreement.

24. Headings of No Force or Effect

The headings of Articles and Sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

25. Multiple Counterparts

This Agreement may be executed multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute but one and the same document.

26. Implementation of Agreement

If Lone Star State Telephone Company is a facilities based provider or a facilities based and resale provider, this section shall apply. Within 60 days of the execution of this Agreement, the Parties may adopt a schedule for the implementation of the Agreement. The schedule shall state with specificity time frames for submission of including but not limited to, network design, interconnection points, collocation arrangement requests, pre-sales testing and full operational time frames for the business and residential markets. An implementation template that may be used for the implementation schedule is contained in Attachment 10 of this Agreement.

27. Filing of Agreement

27.1 Upon execution of this Agreement it shall be filed with the appropriate state regulatory agency pursuant to the requirements of Section 252 of the Act, and the Parties shall share equally any filing fees therefor. If the regulatory agency imposes any filing or public interest notice fees regarding the filing or approval of the Agreement, Lone Star State Telephone Company shall be responsible for publishing the required notice and the publication and/or notice costs shall be borne by Lone Star State Telephone Company. Notwithstanding the foregoing, this Agreement shall not be submitted for approval by the appropriate state regulatory agency unless and until such time as Lone Star State Telephone Company is duly certified as a local exchange carrier in such state, except as otherwise required by a state Commission.

27.2 For electronic filing purposes in the State of Louisiana, the CLEC Louisiana Certification Number is required and must be provided by Lone Star State Telephone Company prior to filing of the Agreement. The CLEC Louisiana Certification Number for Lone Star State Telephone Company is TSP00370

28. Compliance with Applicable Law

Each Party shall comply at its own expense with Applicable Law.

29. Necessary Approvals

Each Party shall be responsible for obtaining and keeping in effect all approvals from, and rights granted by, governmental authorities, building and property owners, other carriers, and any other persons that may be required in connection with the performance of its obligations under this Agreement. Each Party shall reasonably cooperate with the other Party in obtaining and maintaining any required approvals and rights for which such Party is responsible.

30. Good Faith Performance

Each Party shall act in good faith in its performance under this Agreement and, in each case in which a Party's consent or agreement is required or requested hereunder, such Party shall not unreasonably withhold or delay such consent or agreement.

31. Nonexclusive Dealings

This Agreement does not prevent either Party from providing or purchasing services to or from any other person nor, except as provided in Section 252(i) of the Act, does it obligate either Party to provide or purchase any services (except insofar as the Parties are obligated to provide access to Interconnection, services and Network Elements to Lone Star State Telephone Company as a requesting carrier under the Act).

32. Survival

The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement.

33. Entire Agreement

This Agreement and its Attachments, incorporated herein by this reference, sets forth the entire understanding and supersedes prior Agreements between the Parties relating to the subject matter contained herein and merges all prior discussions

Attachment 1

Resale

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RESALE

1. Discount Rates

The discount rates applied to Lone Star State Telephone Company purchases of BellSouth Telecommunications Services for the purpose of resale shall be as set forth in Exhibit A. Such discounts have been determined by the applicable Commission to reflect the costs avoided by BellSouth when selling a service for wholesale purposes.

2. Definition of Terms

2.1 COMPETITIVE LOCAL EXCHANGE COMPANY (CLEC) means a telephone company certificated by the Commission to provide local exchange service within BellSouth's franchised area.

2.2 CUSTOMER OF RECORD means the entity responsible for placing application for service; requesting additions, rearrangements, maintenance or discontinuance of service; payment in full of charges incurred such as non-recurring, monthly recurring, toll, directory assistance, etc.

2.3 DEPOSIT means assurance provided by a customer in the form of cash, surety bond or bank letter of credit to be held by BellSouth.

2.4 END USER means the ultimate user of the Telecommunications Service.

2.5 END USER CUSTOMER LOCATION means the physical location of the premises where an End User makes use of the telecommunications services.

2.6 NEW SERVICES means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.

2.7 RESALE means an activity wherein a certificated CLEC, such as Lone Star State Telephone Company, subscribes to the telecommunications services of BellSouth and then offers those telecommunications services to the public.

3. General Provisions

3.1 All of the negotiated rates, terms and conditions set forth in this Attachment pertain to the resale of BellSouth's retail telecommunications services and other services specified in this Attachment. Subject to effective and applicable FCC

and Commission rules and orders, BellSouth shall make available to Lone Star State Telephone Company for resale those telecommunications services BellSouth makes available, pursuant to its General Subscriber Services Tariff and Private Line Services Tariff, to customer who are not telecommunications carriers. Such services shall be available at BellSouth's tariffed rates less the discount set forth in Exhibit A to this Agreement and subject to the exclusions and limitations set forth in Exhibit B to this Agreement.

- 3.2 Lone Star State Telephone Company may purchase resale services from BellSouth for their own use in operating their business. The resale discount will apply to those services under the following conditions:
 - 3.2.1 Lone Star State Telephone Company must resell services to other End Users.
 - 3.2.2 Lone Star State Telephone Company must order services through resale interfaces, i.e., the Local Carrier Service Center (LCSC) and/or appropriate Resale Account Teams pursuant to Section 3 of the General Terms and Conditions.
 - 3.2.3 Lone Star State Telephone Company cannot be a competitive local exchange telecommunications company for the single purpose of selling to themselves.
- 3.3 Lone Star State Telephone Company will be the customer of record for all services purchased from BellSouth. Except as specified herein, BellSouth will take orders from, bill and receive payment from Lone Star State Telephone Company for said services.
- 3.4 Lone Star State Telephone Company will be BellSouth's single point of contact for all services purchased pursuant to this Agreement. BellSouth shall have no contact with the End User except to the extent provided for herein. Each Party shall provide to the other a nation wide (50 states) toll-free contact number for purposes of repair and maintenance.
- 3.5 BellSouth will continue to bill the End User for any services that the End User specifies it wishes to receive directly from BellSouth. BellSouth maintains the right to serve directly any End User within the service area of Lone Star State Telephone Company. BellSouth will continue to market directly its own telecommunications products and services and in doing so may establish independent relationships with End Users of Lone Star State Telephone Company. Neither Party shall interfere with the right of any person or entity to obtain service directly from the other Party.
 - 3.5.1 When a subscriber of Lone Star State Telephone Company or BellSouth elects to change his/her carrier to the other Party, both Parties agree to release the subscriber's service to the other Party concurrent with the due date of the service order, which shall be established based on the standard interval for the

subscriber's requested service as set forth in BellSouth Product and Services Interval Guide.

- 3.5.2 BellSouth and Lone Star State Telephone Company will refrain from contacting subscribers who have placed or whose selected carrier has placed on their behalf an order to change his/her service provider from BellSouth or Lone Star State Telephone Company to the other Party until such time that the order for service has been completed.
- 3.6 Current telephone numbers may normally be retained by the End User and are assigned to the service furnished. However, neither Party nor the End User has a property right to the telephone number or any other call number designation associated with services furnished by BellSouth, and no right to the continuance of service through any particular central office. BellSouth reserves the right to change such numbers, or the central office designation associated with such numbers, or both, whenever BellSouth deems it necessary to do so in the conduct of its business and in accordance with BellSouth practices and procedures on a nondiscriminatory basis.
- 3.7 For the purpose of the resale of BellSouth's telecommunications services by Lone Star State Telephone Company, BellSouth will provide Lone Star State Telephone Company with on line access to telephone numbers for reservation on a first come first served basis. Until December 1, 2000, such reservations of telephone numbers, on a pre-ordering basis shall be for a period of ninety (90) days. After December 1, 2000, BellSouth shall provide number reservation pursuant to the appropriate FCC rules and regulations. Lone Star State Telephone Company acknowledges that there may be instances where there is a shortage of telephone numbers in a particular Common Language Location Identifier Code (CLLIC) and in such instances BellSouth may request that Lone Star State Telephone Company cancel its reservations of numbers. Lone Star State Telephone Company shall comply with such request.
- 3.8 Further, upon Lone Star State Telephone Company's request, and for the purpose of the resale of BellSouth's telecommunications services by Lone Star State Telephone Company, BellSouth will reserve up to 100 telephone numbers per CLLIC, for Lone Star State Telephone Company's sole use. Until December 1, 2000, such telephone number reservations shall be valid for ninety (90) days from the reservation date. After December 1, 2000, BellSouth shall provide number reservation pursuant to the appropriate FCC rules and regulations. Lone Star State Telephone Company acknowledges that there may be instances where there is a shortage of telephone numbers in a particular CLLIC and in such instances BellSouth shall use its best efforts to reserve for a ninety (90) day period a sufficient quantity of Lone Star State Telephone Company's reasonable need in that particular CLLIC.

- 3.9 Service is furnished subject to the condition that it will not be used for any unlawful purpose.
- 3.10 Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.
- 3.11 BellSouth can refuse service when it has grounds to believe that service will be used in violation of the law.
- 3.12 BellSouth will cooperate with law enforcement agencies with subpoenas and court orders relating to Lone Star State Telephone Company's End Users, pursuant to Section 7 of the General Terms and Conditions.
- 3.13 If Lone Star State Telephone Company or its End Users utilize a BellSouth resold telecommunications service in a manner other than that for which the service was originally intended as described in BellSouth's retail tariffs, Lone Star State Telephone Company has the responsibility to notify BellSouth. BellSouth will only provision and maintain said service consistent with the terms and conditions of the tariff describing said service.
- 3.14 Facilities and/or equipment utilized by BellSouth to provide service to Lone Star State Telephone Company remain the property of BellSouth.
- 3.15 White page directory listings for Lone Star State Telephone Company End Users will be provided in accordance with Section 5 of the General Terms and Conditions.
- 3.16 BellSouth provides electronic access to customer record information. Access is provided through the Local Exchange Navigation System (LENS) and the Telecommunications Access Gateway (TAG). Customer Record Information includes but is not limited to, customer specific information in CRIS and RSAG. In addition, Lone Star State Telephone Company shall provide to BellSouth access to customer record information including electronic access where available. Otherwise, upon request by BellSouth Lone Star State Telephone Company shall provide paper copies of customer record information within a reasonable period of time. Customer Record Information is equivalent to but not limited to the type of customer specific information contained in CRIS and RSAG. The Parties agree not to view, copy, or otherwise obtain access to the customer record information of any customer without that customer's permission, and further agrees that Lone Star State Telephone Company and BellSouth will obtain access to customer record information only in strict compliance with applicable laws, rules, or regulations of the State in which the service is provided.
- 3.17 All costs incurred by BellSouth to develop and implement operational interfaces shall be recovered from CLECs who utilize the interfaces. Charges for use of

Operational Support Systems (OSS) shall be as set forth in Exhibit A of this Attachment.

3.18 Where available to BellSouth's End Users, BellSouth shall provide the following telecommunications services at a discount to allow for voice mail services:

- Message Waiting Indicator ("MWI"), stutter dialtone and message waiting light feature capabilities
- Call Forward Busy Line ("CF/B")
- Call Forward Don't Answer ("CF/DA")

Further, BellSouth messaging services set forth in BellSouth's Messaging Service Information Package shall be made available for resale without the wholesale discount.

3.19 BellSouth shall provide branding for, or shall unbrand, voice mail services for Lone Star State Telephone Company per the Bona Fide Request/New Business Request process as set forth in Section 6 of the General Terms and Conditions.

3.20 BellSouth's Inside Wire Maintenance Service Plan is available for resale at rates, terms and conditions as set forth by BellSouth and without the wholesale discount.

3.21 In the event Lone Star State Telephone Company acquires an end user whose service is provided pursuant to a BellSouth Special Assembly, BellSouth shall make available to Lone Star State Telephone Company that Special Assembly at the wholesale discount at Lone Star State Telephone Company's option. Lone Star State Telephone Company shall be responsible for all terms and conditions of such Special Assembly including but not limited to termination liability if applicable.

3.22 BellSouth shall provide 911/E911 for Lone Star State Telephone Company customers in the same manner that it is provided to BellSouth customers. BellSouth shall provide and validate Lone Star State Telephone Company customer information to the PSAP. BellSouth shall use its service order process to update and maintain, on the same schedule that it uses for its customers, the Lone Star State Telephone Company customer service information in the ALI/DMS (Automatic Location Identification/Location Information) databases used to support 911/E911 services.

3.23 BellSouth shall bill, and Lone Star State Telephone Company shall pay, the End User line charge associated with implementing Number Portability as set forth in BellSouth's FCC No. 1 tariff. This charge is not subject to the wholesale discount.

3.24 Pursuant to 47 CFR Section 51.617, BellSouth will bill to Lone Star State Telephone Company, and Lone Star State Telephone Company shall pay, End User common line charges identical to the End User common line charges BellSouth bills its End Users.

4. BellSouth's Provision of Services to Lone Star State Telephone Company

4.1 Resale of BellSouth services shall be as follows:

4.1.1 The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.

4.1.2 Hotel and Hospital PBX services are the only telecommunications services available for resale to Hotel/Motel and Hospital End Users, respectively. Similarly, Access Line Service for Customer Provided Coin Telephones is the only local service available for resale to Payphone Service Provider (PSP) customers. Shared Tenant Service customers can only be sold those local exchange access services available in BellSouth's A23 Shared Tenant Service Tariff in the states of Florida, Georgia, North Carolina and South Carolina, and in A27 in the states of Alabama, Kentucky, Louisiana, Mississippi and Tennessee.

4.1.3 BellSouth reserves the right to periodically audit services purchased by Lone Star State Telephone Company to establish authenticity of use. Such audit shall not occur more than once in a calendar year. Lone Star State Telephone Company shall make any and all records and data available to BellSouth or BellSouth's auditors on a reasonable basis. BellSouth shall bear the cost of said audit. Any information provided by Lone Star State Telephone Company for purposes of such audit shall be deemed Confidential Information pursuant to the General Terms and Conditions of this Agreement.

4.2 Subject to Exhibit B hereto, resold services can only be used in the same manner as specified in BellSouth's Tariffs. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual End User of BellSouth in the appropriate section of BellSouth's Tariffs. Specific tariff features (e.g. a usage allowance per month) shall not be aggregated across multiple resold services.

4.3 Lone Star State Telephone Company may resell services only within the specific service area as defined in its certificate of operation approved by the Commission.

5. Maintenance of Services

- 5.1 Lone Star State Telephone Company will adopt and adhere to the standards contained in the applicable BellSouth Operational Understanding regarding maintenance of service. The BellSouth Operational Understanding can be accessed via the internet @ <http://www.interconnection.bellsouth.com>.
- 5.2 Services resold pursuant to this Attachment and BellSouth's General Subscriber Service Tariff and Private Line Service Tariff and facilities and equipment provided by BellSouth shall be maintained by BellSouth.
- 5.3 Lone Star State Telephone Company or its End Users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by BellSouth except with the written consent of BellSouth.
- 5.4 Lone Star State Telephone Company accepts responsibility to notify BellSouth of situations that arise that may result in a service problem.
- 5.5 Lone Star State Telephone Company will contact the appropriate repair centers in accordance with procedures established by BellSouth.
- 5.6 For all repair requests, Lone Star State Telephone Company shall adhere to BellSouth's prescreening guidelines prior to referring the trouble to BellSouth.
- 5.7 BellSouth will bill Lone Star State Telephone Company for handling troubles that are found not to be in BellSouth's network pursuant to its standard time and material charges. The standard time and material charges will be no more than what BellSouth charges to its retail customers for the same services.
- 5.8 BellSouth reserves the right to contact Lone Star State Telephone Company's End Users, if deemed necessary, for maintenance purposes.

6. Establishment of Service

- 6.1 After receiving certification as a local exchange company from the appropriate regulatory agency, Lone Star State Telephone Company will provide the appropriate BellSouth service center the necessary documentation to enable BellSouth to establish a master account for Lone Star State Telephone Company's resold services. Such documentation shall include the Application for Master Account, proof of authority to provide telecommunications services, an Operating Company Number ("OCN") assigned by the National Exchange Carriers Association ("NECA") and a tax exemption certificate, if applicable. When necessary deposit requirements are met, as described in Section 6.6 below, BellSouth will begin taking orders for the resale of service.

- 6.2 Service orders will be in a standard format designated by BellSouth.
- 6.3 Lone Star State Telephone Company shall provide to BellSouth a blanket letter of authorization ("LOA") certifying that Lone Star State Telephone Company will have End User authorization prior to viewing the End User's customer service record or switching the End User's service. BellSouth will not require End User confirmation prior to establishing service for Lone Star State Telephone Company's End User customer. Lone Star State Telephone Company must, however, be able to demonstrate End User authorization upon request.
- 6.4 BellSouth will accept a request directly from the End User for conversion of the End User's service from Lone Star State Telephone Company to BellSouth or will accept a request from another CLEC for conversion of the End User's service from Lone Star State Telephone Company to such other CLEC. Upon completion of the conversion BellSouth will notify Lone Star State Telephone Company that such conversion has been completed.
- 6.5 If BellSouth is informed that an unauthorized change in local service to Lone Star State Telephone Company has occurred, BellSouth will reestablish service with the appropriate local service provider and will assess Lone Star State Telephone Company as the CLEC initiating the alleged unauthorized change, the unauthorized change charge described in FCC Tariff No. 1, Section 13 or applicable state tariff. Appropriate nonrecurring charges, as set forth in Section A4 of the General Subscriber Service Tariff, will also be assessed to Lone Star State Telephone Company. In accordance with FCC Slamming Liability Rules, the relevant governmental agency will determine if an unauthorized change has occurred. Resolution of all relevant issues shall be handled directly with the authorized CLEC and Lone Star State Telephone Company.
- 6.6 BellSouth reserves the right to secure the account with a suitable form of security deposit, unless satisfactory credit has already been established.
- 6.6.1 Such security deposit shall take the form of cash for cash equivalent, an irrevocable Letter of Credit or other forms of security acceptable to BellSouth. Any such security deposit may be held during the continuance of the service as security for the payment of any and all amounts accruing for the service.
- 6.6.2 If a security deposit is required, such security deposit shall be made prior to the inauguration of service.
- 6.6.3 Such security deposit shall be two months' estimated billing.
- 6.6.4 The fact that a security deposit has been made in no way relieves Lone Star State Telephone Company from complying with BellSouth's regulations as to advance payments and the prompt payment of bills on presentation nor does it constitute a

waiver or modification of the regular practices of BellSouth providing for the discontinuance of service for non-payment of any sums due BellSouth.

- 6.6.5 BellSouth reserves the right to increase the security deposit requirements when, in its reasonable judgment, changes in Lone Star State Telephone Company's financial status so warrant and/or gross monthly billing has increased beyond the level initially used to determine the security deposit.
- 6.6.6 In the event service to Lone Star State Telephone Company is terminated due to Lone Star State Telephone Company's default on its account, any security deposits held will be applied to Lone Star State Telephone Company's account.
- 6.6.7 Interest on a cash or cash equivalent security deposit shall accrue and be paid in accordance with the terms in the appropriate BellSouth tariff.

7. Payment And Billing Arrangements

- 7.1 Prior to submitting orders to BellSouth for local service, a master account must be established for Lone Star State Telephone Company. Lone Star State Telephone Company is required to provide the following before a master account is established: proof of PSC/PUC certification, the Application for Master Account, an Operating Company Number ("OCN") assigned by the National Exchange Carriers Association ("NECA") and a tax exemption certificate, if applicable.
- 7.2 BellSouth shall bill Lone Star State Telephone Company on a current basis all applicable charges and credits.
- 7.3 Payment of all charges will be the responsibility of Lone Star State Telephone Company. Lone Star State Telephone Company shall make payment to BellSouth for all services billed. BellSouth is not responsible for payments not received by Lone Star State Telephone Company from Lone Star State Telephone Company's End User. BellSouth will not become involved in billing disputes that may arise between Lone Star State Telephone Company and its End User. Payments made to BellSouth as payment on account will be credited to an accounts receivable master account and not to an End User's account.
- 7.4 BellSouth will render bills each month on established bill days for each of Lone Star State Telephone Company's accounts.
- 7.5 BellSouth will bill Lone Star State Telephone Company in advance for all services to be provided during the ensuing billing period except charges associated with service usage, which will be billed in arrears. Charges will be calculated on an individual End User account level, including, if applicable, any charge for usage or usage allowances. BellSouth will also bill Lone Star State Telephone Company, and Lone Star State Telephone Company will be

responsible for and remit to BellSouth, all charges applicable to resold services including but not limited to 911 and E911 charges, End Users common line charges, federal subscriber line charges, telecommunications relay charges (TRS), and franchise fees.

- 7.6 The payment will be due by the next bill date (i.e., same date in the following month as the bill date) and is payable in immediately available funds. Payment is considered to have been made when received by BellSouth.
- 7.6.1 If the payment due date falls on a Sunday or on a Holiday which is observed on a Monday, the payment due date shall be the first non-Holiday day following such Sunday or Holiday. If the payment due date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the last non-Holiday day preceding such Saturday or Holiday. If payment is not received by the payment due date, a late payment charge, as set forth in section 7.8 following, shall apply.
- 7.6.2 If Lone Star State Telephone Company requests multiple billing media or additional copies of bills, BellSouth will provide these at an appropriate charge to Lone Star State Telephone Company.
- 7.6.3 Billing Disputes
- 7.6.3.1 Each Party agrees to notify the other Party upon the discovery of a billing dispute. In the event of a billing dispute, the Parties will endeavor to resolve the dispute within sixty (60) calendar days of the Bill Date on which such disputed charges appear. Resolution of the dispute is expected to occur at the first level of management resulting in a recommendation for settlement of the dispute and closure of a specific billing period. If the issues are not resolved within the allotted time frame, the following resolution procedure will begin:
- 7.6.3.2 If the dispute is not resolved within sixty (60) days of the Bill Date, the dispute will be escalated to the second level of management for each of the respective Parties for resolution. If the dispute is not resolved within ninety (90) days of the Bill Date, the dispute will be escalated to the third level of management for each of the respective Parties for resolution
- 7.6.3.3 If the dispute is not resolved within one hundred and twenty (120) days of the Bill Date, the dispute will be escalated to the fourth level of management for each of the respective Parties for resolution.
- 7.6.3.4 If a Party disputes a charge and does not pay such charge by the payment due date, such charges shall be subject to late payment charges as set forth in the Late Payment Charges provision of this Attachment. If a Party disputes charges and the dispute is resolved in favor of such Party, the other Party shall credit the bill of the disputing Party for the amount of the disputed charges along with any late

payment charges assessed no later than the second Bill Date after the resolution of the dispute. Accordingly, if a Party disputes charges and the dispute is resolved in favor of the other Party, the disputing Party shall pay the other Party the amount of the disputed charges and any associated late payment charges assessed no later than the second bill payment due date after the resolution of the dispute.

BellSouth shall only assess interest on previously assessed late payment charges in a state where it has authority pursuant to its tariffs.

- 7.7 Upon proof of tax exempt certification from Lone Star State Telephone Company, the total amount billed to Lone Star State Telephone Company will not include any taxes due from the End User to reflect the tax exempt certification and local tax laws. Lone Star State Telephone Company will be solely responsible for the computation, tracking, reporting, and payment of taxes applicable to Lone Star State Telephone Company's End User.
- 7.8 If any portion of the payment is received by BellSouth after the payment due date as set forth preceding, or if any portion of the payment is received by BellSouth in funds that are not immediately available to BellSouth, then a late payment charge shall be due to BellSouth. The late payment charge shall be the portion of the payment not received by the payment due date times a late factor and will be applied on a per bill basis. The late factor shall be as set forth in Section A2 of the General Subscriber Services Tariff or Section B2 of the Private Line Service Tariff, as applicable. Lone Star State Telephone Company will be charged a fee for all returned checks as set forth in Section to A2 of the General Subscriber Services Tariff or in applicable state law.
- 7.9 Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, BellSouth.
- 7.10 BellSouth will not perform billing and collection services for Lone Star State Telephone Company as a result of the execution of this Agreement. All requests for billing services should be referred to the appropriate entity or operational group within BellSouth.
- 7.11 In general, BellSouth will not become involved in disputes between Lone Star State Telephone Company and Lone Star State Telephone Company's End User customers relating to resold services. If a dispute does arise that cannot be settled without the involvement of BellSouth, Lone Star State Telephone Company shall contact the designated Service Center for resolution. BellSouth will assist in the resolution of the dispute and will work with Lone Star State Telephone Company to resolve the matter in as timely a manner as possible. Lone Star State Telephone Company may be required to submit documentation to substantiate the claim.

8. Discontinuance of Service

- 8.1 The procedures for discontinuing service to an End User are as follows:
- 8.1.1 BellSouth will deny service to Lone Star State Telephone Company's End User on behalf of, and at the request of, Lone Star State Telephone Company. Upon restoration of the End User's service, restoral charges will apply and will be the responsibility of Lone Star State Telephone Company.
- 8.1.2 At the request of Lone Star State Telephone Company, BellSouth will disconnect a Lone Star State Telephone Company End User customer.
- 8.1.3 All requests by Lone Star State Telephone Company for denial or disconnection of an End User for nonpayment must be in writing.
- 8.1.4 Lone Star State Telephone Company will be made solely responsible for notifying the End User of the proposed disconnection of the service.
- 8.1.5 BellSouth will continue to process calls made to the Annoyance Call Center and will advise Lone Star State Telephone Company when it is determined that annoyance calls are originated from one of its End User's locations. BellSouth shall be indemnified, defended and held harmless by Lone Star State Telephone Company and/or the End User against any claim, loss or damage arising from providing this information to Lone Star State Telephone Company. It is the responsibility of Lone Star State Telephone Company to take the corrective action necessary with its End Users who make annoying calls. (Failure to do so will result in BellSouth's disconnecting the End User's service.)
- 8.1.6 BellSouth may disconnect and reuse facilities when the facility is in a denied state and BellSouth has received an order to establish new service or transfer of service from an End User or an End User's CLEC at the same address served by the denied facility.
- 8.2 The procedures for discontinuing service to Lone Star State Telephone Company are as follows:
- 8.2.1 BellSouth reserves the right to suspend or terminate service in the event of prohibited, unlawful or improper use of the facilities or service, abuse of the facilities, or any other violation or noncompliance by Lone Star State Telephone Company of the rules and regulations of BellSouth's Tariffs.
- 8.2.2 BellSouth reserves the right to suspend or terminate service for nonpayment. If payment of account is not received by the bill day in the month after the original bill day, BellSouth may provide written notice to Lone Star State Telephone Company, that additional applications for service will be refused and that any pending orders for service will not be completed if payment is not received by the fifteenth day following the date of the notice. In addition BellSouth may, at the

same time, provide written notice to the person designated by Lone Star State Telephone Company to receive notices of noncompliance that BellSouth may discontinue the provision of existing services to Lone Star State Telephone Company, if payment is not received by the thirtieth day following the date of the notice.

- 8.2.3 In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due.
- 8.2.4 If BellSouth does not discontinue the provision of the services involved on the date specified in the thirty days notice and Lone Star State Telephone Company's noncompliance continues, nothing contained herein shall preclude BellSouth's right to discontinue the provision of the services to Lone Star State Telephone Company without further notice.
- 8.2.5 Upon discontinuance of service on a Lone Star State Telephone Company's account, service to Lone Star State Telephone Company's End Users will be denied. BellSouth will also reestablish service at the request of the End User or Lone Star State Telephone Company upon payment of the appropriate connection fee and subject to BellSouth's normal application procedures. Lone Star State Telephone Company is solely responsible for notifying the End User of the proposed disconnection of the service.
- 8.2.6 If within fifteen days after an End User's service has been denied no contact has been made in reference to restoring service, the End User's service will be disconnected.

9. Line Information Database (LIDB)

- 9.1 BellSouth will store in its Line Information Database (LIDB) records relating to service only in the BellSouth region. The LIDB Storage Agreement is included in this Attachment as Exhibit C.
- 9.2 BellSouth will provide LIDB Storage upon written request to Lone Star State Telephone Company's Account Manager stating a requested activation date.

10. RAO Hosting

- 10.1 RAO Hosting is not required for resale in the BellSouth region.

11. Optional Daily Usage File (ODUF)

11.1 The Optional Daily Usage File (ODUF) Agreement with terms and conditions is included in this Attachment as Exhibit D. Rates for ODUF are as set forth in Exhibit F of this Attachment.

11.2 BellSouth will provide ODUF service upon written request to its Account Manager stating a requested activation date.

12. Enhanced Optional Daily Usage File (EODUF)

12.1 The Enhanced Optional Daily Usage File (EODUF) service Agreement with terms and conditions is included in this Attachment as Exhibit E. Rates for EODUF are as set forth in Exhibit F of this Attachment.

12.2 BellSouth will provide EODUF service upon written request to its Account Manager stating a requested activation date.

APPLICABLE DISCOUNTS

The telecommunications services available for purchase by Lone Star State Telephone Company for the purposes of resale to Lone Star State Telephone Company End Users shall be available at the following discount off of the retail rate. If Lone Star State Telephone Company cancels an order for telecommunications services for the purpose of resale, any costs incurred by BellSouth in conjunction with the provisioning of that order will be recovered in accordance with the applicable sections of the GSST and the PLST.

DISCOUNT*

<u>STATE</u>	<u>RESIDENCE</u>	<u>BUSINESS</u>	<u>CSAs***</u>
ALABAMA	16.3%	16.3%	
FLORIDA	21.83%	16.81%	
GEORGIA	20.3%	17.3%	
KENTUCKY	16.79%	15.54%	
LOUISIANA	20.72%	20.72%	9.05%
MISSISSIPPI	15.75%	15.75%	
NORTH CAROLINA	21.5%	17.6%	
SOUTH CAROLINA	14.8%	14.8%	8.98%
TENNESSEE**	16%	16%	

* When a CLEC provides Resale service in a cross boundary area (areas that are part of the local serving area of another state's exchange) the rates, regulations and discounts for the tariffing state will apply. Billing will be from the serving state.

** In Tennessee, if Lone Star State Telephone Company provides its own operator services and directory services, the discount shall be 21.56%. Lone Star State Telephone Company must provide written notification to BellSouth within 30 days prior to providing its own operator services and directory services to qualify for the higher discount rate of 21.56%.

*** Unless noted in this column, the discount for Business will be the applicable discount rate for CSAs.

OPERATIONAL SUPPORT SYSTEMS (OSS) RATES

BellSouth has developed and made available the following mechanized systems by which Lone Star State Telephone Company may submit LSRs electronically.

LENS	Local Exchange Navigation System
EDI	Electronic Data Interchange
TAG	Telecommunications Access Gateway

LSRs submitted by means of one of these interactive interfaces will incur an OSS electronic ordering charge as specified in the Table below. An individual LSR will be identified for billing purposes by its Purchase Order Number (PON). LSRs submitted by means other than one of these interactive interfaces (mail, fax, courier, etc.) will incur a manual order charge as specified in the table below:

OPERATIONAL SUPPORT SYSTEMS (OSS) RATES	<u>Electronic</u> Per LSR received from the CLEC by one of the OSS interactive interfaces	<u>Manual</u> Per LSR received from the CLEC by means other than one of the OSS interactive interfaces
OSS LSR Charge	\$3.50	\$19.99
USOC	SOME C	SOMAN

Note: In addition to the OSS charges, applicable discounted service order and related discounted charges apply per the tariff.

Denial/Restoral OSS Charge

In the event Lone Star State Telephone Company provides a list of customers to be denied and restored, rather than an LSR, each location on the list will require a separate PON and, therefore will be billed as one LSR per location.

Cancellation OSS Charge

Lone Star State Telephone Company will incur an OSS charge for an accepted LSR that is later canceled by Lone Star State Telephone Company.

Note: Supplements or clarifications to a previously billed LSR will not incur another OSS charge.

Threshold Billing Plan

Lone Star State Telephone Company will incur the mechanized rate for all LSRs, both mechanized and manual, if the percentage of mechanized LSRs to total LSRs meets or exceeds the threshold percentages shown below:

Year	Ratio: Mechanized/Total LSRs
2000	80%
2001	90%

The threshold plan will be discontinued in 2002.

BellSouth will track the total LSR volume for each CLEC for each quarter. At the end of that time period, a Percent Electronic LSR calculation will be made for that quarter based on the LSR data tracked in the LCSC. If this percentage exceeds the threshold volume, all of that CLEC's future manual LSRs for the following quarter will be billed at the mechanized LSR rate. To allow time for obtaining and analyzing the data and updating the billing system, this billing change will take place on the first day of the second month following the end of the quarter (e.g. May 1 for 1Q, Aug 1 for 2Q, etc.). There will be no adjustments to the amount billed for previously billed LSRs.

**Exclusions and Limitations
On Services Available for Resale**

Type of Service	AL		FL		GA		KY		LA		MS		NC		SC		TN	
	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount
1 Grandfathered Services (Note 1)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Promotions - > 90 Days(Note 2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 3
3 Promotions - ≤ 90 Days (Note 2)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
4 Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 4	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5 911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6 N11 Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes
7 MemoryCall® Service	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
8 Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9 Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10 Non-Recur. Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
11 End User Line Chg-Number Portability	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
12 Public Telephone Access Svc(PTAS)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
13 Inside Wire Maint Service Plan	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No

Applicable Notes:

- Grandfathered services** can be resold only to existing subscribers of the grandfathered service.
- Where available for resale, **promotions** will be made available only to End Users who would have qualified for the promotion had it been provided by BellSouth directly.
- In Tennessee, long-term **promotions** (offered for more than ninety (90) days) may be obtained at one of the following rates:
 - the stated tariff rate, less the wholesale discount;
 - the promotional rate (the promotional rate offered by BellSouth will not be discounted further by the wholesale discount rate)
- Lifeline/Link Up** services may be offered only to those subscribers who meet the criteria that BellSouth currently applies to subscribers of these services as set forth in Sections A3 and A4 of the BellSouth General Subscriber Services Tariff.
- Some of BellSouth's local exchange and toll telecommunications services are not available in certain central offices and areas.

**LINE INFORMATION DATA BASE (LIDB)
STORAGE AGREEMENT**

I. SCOPE

- A. This Agreement sets forth the terms and conditions pursuant to which BellSouth agrees to store in its LIDB certain information at the request of Lone Star State Telephone Company and pursuant to which BellSouth, its LIDB customers and Lone Star State Telephone Company shall have access to such information. Lone Star State Telephone Company understands that BellSouth provides access to information in its LIDB to various telecommunications service providers pursuant to applicable tariffs and agrees that information stored at the request of Lone Star State Telephone Company, pursuant to this Agreement, shall be available to those telecommunications service providers. The terms and conditions contained herein shall hereby be made a part of this Interconnection/Resale Agreement upon notice to Lone Star State Telephone Company's account team to activate this LIDB Storage Agreement. The General Terms and Conditions of the Interconnection/Resale Agreement shall govern this LIDB Storage Agreement. The terms and conditions contained in the attached Addendum are hereby made a part of this LIDB Storage Agreement as if fully incorporated herein.
- B. LIDB is accessed for the following purposes:
1. Billed Number Screening
 2. Calling Card Validation
 3. Fraud Control
- C. BellSouth will provide seven days per week, 24-hours per day, fraud monitoring on Calling Cards, bill-to-third and collect calls made to numbers in BellSouth's LIDB, provided that such information is included in the LIDB query. BellSouth will establish fraud alert thresholds and will notify Lone Star State Telephone Company of fraud alerts so that Lone Star State Telephone Company may take action it deems appropriate. Lone Star State Telephone Company understands and agrees BellSouth will administer all data stored in the LIDB, including the data provided by Lone Star State Telephone Company pursuant to this Agreement, in the same manner as BellSouth's data for BellSouth's End User customers. BellSouth shall not be

responsible to Lone Star State Telephone Company for any lost revenue that may result from BellSouth's administration of the LIDB pursuant to its established practices and procedures as they exist and as they may be changed by BellSouth in its sole discretion from time to time.

Lone Star State Telephone Company understands that BellSouth currently has in effect numerous billing and collection agreements with various interexchange carriers and billing clearing houses. Lone Star State Telephone Company further understands that these billing and collection customers of BellSouth query BellSouth's LIDB to determine whether to accept various billing options from End Users. Additionally, Lone Star State Telephone Company understands that presently BellSouth has no method to differentiate between BellSouth's own billing and line data in the LIDB and such data which it includes in the LIDB on Lone Star State Telephone Company's behalf pursuant to this Agreement. Therefore, until such time as BellSouth can and does implement in its LIDB and its supporting systems the means to differentiate Lone Star State Telephone Company's data from BellSouth's data and the Parties to this Agreement execute appropriate amendments hereto, the following terms and conditions shall apply:

- (a) Lone Star State Telephone Company agrees that it will accept responsibility for telecommunications services billed by BellSouth for its billing and collection customers for Lone Star State Telephone Company's End User accounts which are resident in LIDB pursuant to this Agreement. Lone Star State Telephone Company authorizes BellSouth to place such charges on Lone Star State Telephone Company's bill from BellSouth and agrees that it shall pay all such charges. Charges for which Lone Star State Telephone Company hereby takes responsibility include, but are not limited to, collect and third number calls.
- (b) Charges for such services shall appear on a separate BellSouth bill page identified with the name of the entity for which BellSouth is billing the charge.
- (c) Lone Star State Telephone Company shall have the responsibility to render a billing statement to its End Users for these charges, but Lone Star State Telephone Company's obligation to pay BellSouth for the charges billed shall be independent of whether Lone Star State Telephone Company is able or not to collect from Lone Star State Telephone Company's End Users.
- (d) BellSouth shall not become involved in any disputes between Lone Star State Telephone Company and the entities for which BellSouth performs billing and collection. BellSouth will not issue adjustments for charges billed on behalf of an entity to Lone Star State Telephone Company. It shall be the responsibility of Lone Star State Telephone Company and the other entity to negotiate and arrange for any appropriate adjustments.

II. FEES FOR SERVICE AND TAXES

- A. Lone Star State Telephone Company will not be charged a fee for storage services provided by BellSouth to Lone Star State Telephone Company, as described in Section I of this Agreement.
- B. Sales, use and all other taxes (excluding taxes on BellSouth's income) determined by BellSouth or any taxing authority to be due to any federal, state or local taxing jurisdiction with respect to the provision of the service set forth herein will be paid by Lone Star State Telephone Company in accordance with the tax provisions set forth in the General Terms and Conditions of this Agreement.

III. MISCELLANEOUS

- A. It is understood and agreed to by the Parties that BellSouth may provide similar services to other companies.
- B. All terms, conditions and operations under this Agreement shall be performed in accordance with, and subject to, all applicable local, state or federal legal and regulatory tariffs, rulings, and other requirements of the federal courts, the U. S. Department of Justice and state and federal regulatory agencies. Nothing in this Agreement shall be construed to cause either Party to violate any such legal or regulatory requirement and either Party's obligation to perform shall be subject to all such requirements.
- C. This LIDB Storage Agreement constitutes the entire Agreement between Lone Star State Telephone Company and BellSouth with respect to the subject matter hereof and supersedes all prior Agreements or contracts, oral or written representations, statements, negotiations, understandings, proposals and undertakings with respect to LIDB Storage.

RESALE ADDENDUM
TO LINE INFORMATION DATA BASE (LIDB)
STORAGE AGREEMENT

I. GENERAL

This Addendum sets forth the terms and conditions for Lone Star State Telephone Company's provision of billing number information to BellSouth for inclusion in BellSouth's LIDB. BellSouth will store in its LIDB the billing number information provided by Lone Star State Telephone Company, and BellSouth will provide responses to on-line, call-by-call queries to this information for purposes specified in Section I.B. of the Agreement.

II. DEFINITIONS

- A. Billing number - a number used by BellSouth for the purpose of identifying an account liable for charges. This number may be a line or a special billing number.
- B. Line number - a ten-digit number assigned by BellSouth that identifies a telephone line associated with a resold local exchange service, or with a SPNP arrangement.
- C. Special billing number - a ten-digit number that identifies a billing account established by BellSouth in connection with a resold local exchange service or with a SPNP arrangement.
- D. Calling Card number - a billing number plus PIN number assigned by BellSouth.
- E. PIN number - a four digit security code assigned by BellSouth which is added to a billing number to compose a fourteen digit calling card number.
- F. Toll billing exception indicator - associated with a billing number to indicate that it is considered invalid for billing of collect calls or third number calls or both, by Lone Star State Telephone Company.

- G. Billed Number Screening - refers to the activity of determining whether a toll billing exception indicator is present for a particular billing number.
- H. Calling Card Validation - refers to the activity of determining whether a particular calling card number exists as stated or otherwise provided by a caller.
- I. Billing number information - information about billing number or Calling Card number as assigned by BellSouth and toll billing exception indicator provided to BellSouth by Lone Star State Telephone Company.

III. RESPONSIBILITIES OF PARTIES

- A. BellSouth will include billing number information associated with resold exchange lines or SPNP arrangements in its LIDB. Lone Star State Telephone Company will request any toll billing exceptions via the Local Service Request (LSR) form used to order resold exchange lines, or the SPNP service request form used to order SPNP arrangements.
- B. Under normal operating conditions, BellSouth shall include the billing number information in its LIDB upon completion of the service order establishing either the resold local exchange service or the SPNP arrangement, provided that BellSouth shall not be held responsible for any delay or failure in performance to the extent such delay or failure is caused by circumstances or conditions beyond BellSouth's reasonable control. BellSouth will store in its LIDB an unlimited volume of the working telephone numbers associated with either the resold local exchange lines or the SPNP arrangements. For resold local exchange lines or for SPNP arrangements, BellSouth will issue line-based calling cards only in the name of Lone Star State Telephone Company. BellSouth will not issue line-based calling cards in the name of Lone Star State Telephone Company's individual End Users. In the event that Lone Star State Telephone Company wants to include calling card numbers assigned by Lone Star State Telephone Company in the BellSouth LIDB, a separate agreement is required.
- C. BellSouth will provide responses to on-line, call-by-call queries to the stored information for the specific purposes listed in the next paragraph.
- D. BellSouth is authorized to use the billing number information to perform the following functions for authorized users on an on-line basis:
 - 1. Validate a 14 digit Calling Card number where the first 10 digits are a line number or special billing number assigned by BellSouth, and where the last four digits (PIN) are a security code assigned by BellSouth.

2. Determine whether Lone Star State Telephone Company has identified the billing number as one which should not be billed for collect or third number calls, or both.

Optional Daily Usage File

1. Upon written request from Lone Star State Telephone Company, BellSouth will provide the Optional Daily Usage File (ODUF) service to Lone Star State Telephone Company pursuant to the terms and conditions set forth in this section.
2. Lone Star State Telephone Company shall furnish all relevant information required by BellSouth for the provision of the Optional Daily Usage File.
3. The Optional Daily Usage Feed will contain billable messages that were carried over the BellSouth Network and processed in the BellSouth Billing System, but billed to a Lone Star State Telephone Company customer.

Charges for delivery of the Optional Daily Usage File will appear on Lone Star State Telephone Company's monthly bills. The charges are as set forth in Exhibit F to this Attachment.

4. The Optional Daily Usage Feed will contain both rated and unrated messages. All messages will be in the standard Alliance for Telecommunications Industry Solutions (ATIS) EMI record format.
5. Messages that error in Lone Star State Telephone Company's billing system will be the responsibility of Lone Star State Telephone Company. If, however, Lone Star State Telephone Company should encounter significant volumes of errored messages that prevent processing by Lone Star State Telephone Company within its systems, BellSouth will work with the to determine the source of the errors and the appropriate resolution.
6. The following specifications shall apply to the Optional Daily Usage Feed.

6.1 **Usage To Be Transmitted**

- 6.1.1 The following messages recorded by BellSouth will be transmitted to Lone Star State Telephone Company:

- Message recording for per use/per activation type services (examples: Three Way Calling, Verify, Interrupt, Call Return, etc.)
- Measured billable Local
- Directory Assistance messages

- IntraLATA Toll

 - WATS and 800 Service

 - N11

 - Information Service Provider Messages

 - Operator Services Messages

 - Operator Services Message Attempted Calls (UNE only)

 - Credit/Cancel Records

 - Usage for Voice Mail Message Service
- 6.1.2 Rated Incollects (originated in BellSouth and from other companies) can also be on Optional Daily Usage File. Rated Incollects will be intermingled with BellSouth recorded rated and unrated usage. Rated Incollects will not be packed separately.
- 6.1.3 BellSouth will perform duplicate record checks on records processed to Optional Daily Usage File. Any duplicate messages detected will be deleted and not sent to Lone Star State Telephone Company.
- 6.1.4 In the event that Lone Star State Telephone Company detects a duplicate on Optional Daily Usage File they receive from BellSouth, Lone Star State Telephone Company will drop the duplicate message (Lone Star State Telephone Company will not return the duplicate to BellSouth).
- 6.2 Physical File Characteristics
- 6.2.1 The Optional Daily Usage File will be distributed to Lone Star State Telephone Company via an agreed medium with CONNECT:Direct being the preferred transport method. The Daily Usage Feed will be a variable block format (2476) with an LRECL of 2472. The data on the Daily Usage Feed will be in a non-compacted EMI format (175 byte format plus modules). It will be created on a daily basis (Monday through Friday except holidays). Details such as dataset name and delivery schedule will be addressed during negotiations of the distribution medium. There will be a maximum of one dataset per workday per OCN.
- 6.2.2 Data circuits (private line or dial-up) may be required between BellSouth and Lone Star State Telephone Company for the purpose of data transmission. Where a dedicated line is required, Lone Star State Telephone Company will be responsible for

ordering the circuit, overseeing its installation and coordinating the installation with BellSouth. Lone Star State Telephone Company will also be responsible for any charges associated with this line. Equipment required on the BellSouth end to attach the line to the mainframe computer and to transmit successfully ongoing will be negotiated on a case by case basis. Where a dial-up facility is required, dial circuits will be installed in the BellSouth data center by BellSouth and the associated charges assessed to Lone Star State Telephone Company. Additionally, all message toll charges associated with the use of the dial circuit by Lone Star State Telephone Company will be the responsibility of Lone Star State Telephone Company. Associated equipment on the BellSouth end, including a modem, will be negotiated on a case by case basis between the Parties. All equipment, including modems and software, that is required on Lone Star State Telephone Company end for the purpose of data transmission will be the responsibility of Lone Star State Telephone Company.

6.3 Packing Specifications

6.3.1 A pack will contain a minimum of one message record or a maximum of 99,999 message records plus a pack header record and a pack trailer record. One transmission can contain a maximum of 99 packs and a minimum of one pack.

6.3.2 The OCN, From RAO, and Invoice Number will control the invoice sequencing. The From RAO will be used to identify to Lone Star State Telephone Company which BellSouth RAO is sending the message. BellSouth and Lone Star State Telephone Company will use the invoice sequencing to control data exchange. BellSouth will be notified of sequence failures identified by Lone Star State Telephone Company and resend the data as appropriate.

THE DATA WILL BE PACKED USING ATIS EMI RECORDS.

6.4 Pack Rejection

6.4.1 Lone Star State Telephone Company will notify BellSouth within one business day of rejected packs (via the mutually agreed medium). Packs could be rejected because of pack sequencing discrepancies or a critical edit failure on the Pack Header or Pack Trailer records (i.e. out-of-balance condition on grand totals, invalid data populated). Standard ATIS EMI Error Codes will be used. Lone Star State Telephone Company will not be required to return the actual rejected data to BellSouth. Rejected packs will be corrected and retransmitted to Lone Star State Telephone Company by BellSouth.

6.5 Control Data

Lone Star State Telephone Company will send one confirmation record per pack that is received from BellSouth. This confirmation record will indicate Lone Star State Telephone Company received the pack and the acceptance or rejection of the pack.

Pack Status Code(s) will be populated using standard ATIS EMI error codes for packs that were rejected by Lone Star State Telephone Company for reasons stated in the above section.

6.6 Testing

- 6.6.1 Upon request from Lone Star State Telephone Company, BellSouth shall send test files to Lone Star State Telephone Company for the Optional Daily Usage File. The Parties agree to review and discuss the file's content and/or format. For testing of usage results, BellSouth shall request that Lone Star State Telephone Company set up a production (LIVE) file. The live test may consist of Lone Star State Telephone Company's employees making test calls for the types of services Lone Star State Telephone Company requests on the Optional Daily Usage File. These test calls are logged by Lone Star State Telephone Company, and the logs are provided to BellSouth. These logs will be used to verify the files. Testing will be completed within 30 calendar days from the date on which the initial test file was sent.

Enhanced Optional Daily Usage File

1. Upon written request from Lone Star State Telephone Company, BellSouth will provide the Enhanced Optional Daily Usage File (EODUF) service to Lone Star State Telephone Company pursuant to the terms and conditions set forth in this section. EODUF will only be sent to existing ODUF subscribers who request the EODUF option.
2. Lone Star State Telephone Company shall furnish all relevant information required by BellSouth for the provision of the Enhanced Optional Daily Usage File.
3. The Enhanced Optional Daily Usage File (EODUF) will provide usage data for local calls originating from resold Flat Rate Business and Residential Lines.
4. Charges for delivery of the Enhanced Optional Daily Usage File will appear on Lone Star State Telephone Company's monthly bills. The charges are as set forth in Exhibit F to this Attachment.
5. All messages will be in the standard Alliance for Telecommunications Industry Solutions (ATIS) EMI record format.
6. Messages that error in the billing system of Lone Star State Telephone Company will be the responsibility of Lone Star State Telephone Company. If, however, Lone Star State Telephone Company should encounter significant volumes of errored messages that prevent processing by Lone Star State Telephone Company within its systems, BellSouth will work with Lone Star State Telephone Company to determine the source of the errors and the appropriate resolution.
7. The following specifications shall apply to the Optional Daily Usage Feed.
 - 7.1 **Usage To Be Transmitted**
 - 7.1.1 The following messages recorded by BellSouth will be transmitted to Lone Star State Telephone Company:

Customer usage data for flat rated local call originating from Lone Star State Telephone Company's End User lines (1FB or 1FR). The EODUF record for flat rate messages will include:

Date of Call

From Number

To Number

Connect Time

Conversation Time

Method of Recording

From RAO

Rate Class

Message Type

Billing Indicators

Bill to Number

7.1.2 BellSouth will perform duplicate record checks on EODUF records processed to Optional Daily Usage File. Any duplicate messages detected will be deleted and not sent to Lone Star State Telephone Company.

7.1.3 In the event that Lone Star State Telephone Company detects a duplicate on Enhanced Optional Daily Usage File they receive from BellSouth, Lone Star State Telephone Company will drop the duplicate message (Lone Star State Telephone Company will not return the duplicate to BellSouth).

7.2 Physical File Characteristics

7.2.1 The Enhanced Optional Daily Usage Feed will be distributed to Lone Star State Telephone Company over their existing Optional Daily Usage File (ODUF) feed. The EODUF messages will be intermingled among Lone Star State Telephone Company's Optional Daily Usage File (ODUF) messages. The EODUF will be a variable block format (2476) with an LRECL of 2472. The data on the EODUF will be in a non-compacted EMI format (175 byte format plus modules). It will be created on a daily basis (Monday through Friday except holidays).

7.2.2 Data circuits (private line or dial-up) may be required between BellSouth and Lone Star State Telephone Company for the purpose of data transmission. Where a dedicated line is required, Lone Star State Telephone Company will be responsible for ordering the circuit, overseeing its installation and coordinating the installation with BellSouth. Lone Star State Telephone Company will also be responsible for any charges associated with this line. Equipment required on the BellSouth end to attach the line to the mainframe computer and to transmit successfully ongoing will be

negotiated on a case by case basis. Where a dial-up facility is required, dial circuits will be installed in the BellSouth data center by BellSouth and the associated charges assessed to Lone Star State Telephone Company. Additionally, all message toll charges associated with the use of the dial circuit by Lone Star State Telephone Company will be the responsibility of Lone Star State Telephone Company. Associated equipment on the BellSouth end, including a modem, will be negotiated on a case by case basis between the Parties. All equipment, including modems and software, that is required on Lone Star State Telephone Company's end for the purpose of data transmission will be the responsibility of Lone Star State Telephone Company.

7.3 Packing Specifications

7.3.1 A pack will contain a minimum of one message record or a maximum of 99,999 message records plus a pack header record and a pack trailer record. One transmission can contain a maximum of 99 packs and a minimum of one pack.

7.3.2 The Operating Company Number (OCN), From Revenue Accounting Office (RAO), and Invoice Number will control the invoice sequencing. The From RAO will be used to identify to Lone Star State Telephone Company which BellSouth RAO is sending the message. BellSouth and Lone Star State Telephone Company will use the invoice sequencing to control data exchange. BellSouth will be notified of sequence failures identified by Lone Star State Telephone Company and resend the data as appropriate.

THE DATA WILL BE PACKED USING ATIS EMI RECORDS.

BELLSOUTH/CREDIT LOANS, INC., D/B/A LONE STAR STATE TELEPHONE COMPANY RATES
 ODUF/EODUF

RATES BY STATE

DESCRIPTION	USOC	AL	FL	GA	KY	LA	MS	NC	SC	TN
ODUF/EODUF										
ODUF: Recording, per message	N/A	\$0.0002	\$0.008	\$0.0001275	\$0.0008611	\$0.00019	\$0.0001179	\$0.0003	\$0.0002862	\$0.008
ODUF: Message Processing, per message	N/A	\$0.0033	\$0.004	\$0.0082548	\$0.0032357	\$0.0024	\$0.0032089	\$0.0032	\$0.0032344	\$0.004
EODUF: Message Processing, per message	N/A	\$0.004	\$0.004	\$0.0034555	\$0.004	\$0.004	\$0.004	\$0.004	\$0.004	\$0.004
ODUF: Message Processing, per magnetic tape provisioned	N/A	\$55.19	\$54.95	\$28.85	\$55.68	\$47.30	\$54.62	\$54.61	\$54.72	\$54.95
ODUF: Data Transmission (CONNECT:DIRECT), per message	N/A	\$0.00004	\$0.001	\$0.0000434	\$0.0000365	\$0.00003	\$0.0000354	\$0.00004	\$0.0000357	\$0.001

* Volume and term arrangements are also available.

NOTES: If no rate is identified in the contract, the rate for the specific service or function will be as set forth in applicable BellSouth tariff or as negotiated by the Parties upon request by either Party.