

**Agreement Between
BellSouth Telecommunications, Inc. and
Grande Communications Networks, Inc. for the Provision of BellSouth
National Directory Assistance Services**

THIS AGREEMENT is made by and between BellSouth Telecommunications, Inc., (“BellSouth”), a Georgia corporation, and Grande Communications Networks, Inc. (“Grande Communications”), a Texas corporation, and, shall be deemed effective as of the date executed by both BellSouth and Grande Communications. This Agreement may refer to either BellSouth or Grande Communications or both as a “Party” or “Parties. “

WITNESSETH

WHEREAS, BellSouth is a local exchange telecommunications company authorized to provide telecommunications services including certain National Directory Assistance services (“NDA services”) in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; and

WHEREAS, Grande Communications is a telecommunications company authorized to provide telecommunications services in the state of Alabama; and

WHEREAS, Grande Communications wishes to purchase from BellSouth NDA services (“the Services”) for the purposes of providing said services to other telecommunications companies.

NOW THEREFORE, in consideration of the mutual agreements contained herein, BellSouth and Grande Communications agree as follows:

1. Purpose

BellSouth agrees to provide and Grande Communications agrees to purchase pursuant to the rates, terms and conditions contained herein, including Attachment 1 incorporated herein by this reference, the Services for the purpose of providing such services to other telecommunications carriers.

The Services are defined as providing telephone numbers to end users using BellSouth NDA equipment and operators, when required. The Services shall include up to two telephone number requests per call. Optional services may include NDA release link trunking (RLT) and NDA call completion message, branding, and introductory message relating to NDA and acceptable to BellSouth as set forth in Attachment 1.

Grande Communications warrants that it is authorized pursuant to federal and/or state statutes, regulations, or rules to purchase the Services from BellSouth and to provide the Services to other telecommunications carriers. BellSouth warrants that it shall comply with all applicable federal and/or state regulations and rules in providing the Services to Grande Communications.

2. **Term of the Agreement**

2.1 The term of this Agreement shall be three and one half (3 ½) years, commencing as of the date this Agreement is executed.

3. **Option to Negotiate New Volume and Term Agreement**

If Grande Communications' actual Call volume exceeds 47,999,999 million Calls annually in any given 12 month period or BellSouth modifies its pricing structure during this Agreement, then upon written notice, Grande Communications may request negotiations of a new agreement with a higher ongoing volume commitment and/or lower rates.

The new agreement, if any, if agreed to by the Parties, shall consist of a new minimum Call volume commitment and associated discount rates agreed to by the parties in writing.

4. **Ordering Procedures**

Procedures for ordering and provisioning BellSouth Services will be handled via the Access Service Request (ASR) process.

5. **Charges and Payment**

5.1 All "Call Charges" for "Calls" (as defined herein) under this Agreement shall be due and payable in immediately available funds by Grande Communications to BellSouth on the date (the "Due Date") that is 30 days after the date of the monthly invoice from BellSouth. Notwithstanding the foregoing, if the Due Date would fall on a Sunday or on a Holiday which is observed on a Monday, then the Due Date shall be deemed to be the first non-Holiday day following such Sunday or holiday, and if the Due Date would fall on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, then the Due Date shall be deemed to be the last non-Holiday preceding such Saturday or Holiday. Call Charges shall be billed in the month following the month in which the Services were provided.

For purposes of this Agreement, for the Services, a "Call" shall mean any call presented to a BellSouth NDA operator services system for directory assistance by Grande Communications or through Grande Communications for its telecommunications carrier customers.

5.2 Any amount due and payable to BellSouth by Grande Communications hereunder, but not received in BellSouth's office at the address set forth in Section 18.1 or as otherwise directed by BellSouth on or before the Due Date specified above, will be deemed past due. Any past due amount is subject to a late fee in the amount of 1.5% per month, or the maximum rate permitted by applicable law, whichever is less, from the Due Date until payment is received by BellSouth. Notwithstanding the foregoing sentence, late fees shall apply (but shall not be due and payable for a period of 60 days following the Due Date) for amounts reasonably and in good faith disputed by Grande Communications, provided Grande Communications: (i) pays all undisputed charges on or before the Due Date; (ii) presents a written statement of any billing discrepancies to BellSouth in reasonable detail on or before the Due Date of the invoice in question; and (iii) negotiates in good faith with BellSouth for the purpose of resolving the dispute within such 60 day period. In the event such dispute is resolved in favor of BellSouth, Grande Communications agrees to pay BellSouth the disputed amounts together with any applicable late fees within five days of the resolution of the dispute. To the extent such dispute is resolved in favor of Grande Communications, Grande Communications shall receive a credit for the disputed charges in question and any late fees applicable to such disputed charges. In the event the dispute is not resolved within such 60 day period, Grande Communications shall pay BellSouth all disputed amounts together with applicable late fees immediately and in no event later than five days after the expiration of such 60 day period. The preceding sentence shall not be construed to prevent Grande Communications from pursuing any available legal remedies.

5.3 Discontinuing Service to Grande Communications. The procedures for discontinuing service to Grande Communications are as follows:

5.3.1 Subject to Section 5.1 and Section 5.2, BellSouth reserves the right to suspend or terminate Service for nonpayment or in the event of prohibited, unlawful or improper use of BellSouth facilities or Service or any other violation or noncompliance by Grande Communications of any state and federal rules and statutes or the rules and regulations contained in BellSouth's tariffs, if applicable.

5.3.2 If payment of the undisputed amount is not received by the Due Date, BellSouth may provide written notice to Grande Communications 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, give thirty days

notice to Grande Communications pursuant to Section 17.1 to discontinue the provision of existing Services to Grande Communications at any time thereafter.

- 5.3.3 In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due.
- 5.3.4 If BellSouth does not discontinue the provision of the Services involved on the date specified in the thirty days notice and Grande Communications' noncompliance continues, nothing contained herein shall preclude BellSouth's right to discontinue the provision of the services to Grande Communications without further notice.
- 5.3.5 If payment is not received or satisfactory arrangements made for payment by the date given in the written notification, the Services will be discontinued. Upon discontinuance of service on Grande Communications' account, service to the Grande Communications' telecommunications customers will be denied. BellSouth will reestablish service at the request of Grande Communications upon payment of the appropriate connection fee and subject to BellSouth's normal application procedures. Grande Communications is solely responsible for notifying telecommunications customers of the proposed service disconnection and for any attendant liability for such discontinuance.
- 5.4 In general, BellSouth will not become involved in disputes between Grande Communications and Grande Communications' other telecommunications carrier customers over the Services. If a dispute does arise that cannot be settled without the involvement of BellSouth, Grande Communications may contact BellSouth and BellSouth will make every effort to assist in the resolution of the dispute and will work with Grande Communications to resolve the matter in as timely a manner as possible. Grande Communications may be required to submit documentation to substantiate the claim.

6. **Liability and Indemnification**

- 6.1 **Liability for Uncollectible Revenues.** BellSouth and Grande Communications shall take financial responsibility for their own actions in causing, or their lack of action in preventing, unbillable or uncollectible revenues.
- 6.2 **Liability for Acts or Omissions of Third Parties.** Neither BellSouth nor Grande Communications shall be liable for any act or omission of another telecommunications company providing a portion of the services provided under this Agreement.

6.3 Limitation of Liability.

6.3.1 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.

6.3.2 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.

6.4 Indemnification for Certain Claims. Each Party, its affiliates and its parent company, shall be indemnified, defended and held harmless by the other Party against any claim, loss or damage arising from the provision or use of the Services provided under this Agreement pertaining to (1) claims for libel, slander, invasion of privacy or copyright infringement arising from the content of the other Party's communications, or (2) any claim, loss or damage claimed by the other Party's customer or provider arising from one Party's use or reliance on the other Party's services, actions, duties, or obligations arising out of this Agreement.

6.5 No liability for Certain Inaccurate Data. Except as otherwise provided herein, neither BellSouth nor Grande Communications assumes any liability for the accuracy of data provided by one Party to the other and each Party agrees to indemnify and hold harmless the other for any claim, action, cause of action, damage, or injury that might result from the use of inaccurate data in conjunction with the provision of any Service provided pursuant to this Agreement.

6.6 Disclaimer. EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT OR ANY ATTACHMENT OR EXHIBIT HERETO, 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.

7. **Intellectual Property Rights and Indemnification**

7.1 No License. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement by either Party. Each party is strictly prohibited from any use, including but not limited to use in sales, marketing or advertising of any services, of the other party's name, service mark, trademark or logo. Notwithstanding the foregoing, either party may reference the name of the other party in connection with factual statements in response to questions from customers or potential customers regarding the source of the underlying service.

7.2 Ownership of Intellectual Property. Any intellectual property which originates from or is developed by a Party shall remain in the exclusive ownership 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.

7.3 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 and will indemnify the receiving Party for any damages awarded based solely on such claims in accordance with this Agreement.

7.4 Claim of Infringement. In the event that use of any facilities or equipment (including software), becomes, or in 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, but subject to the limitations of liability set forth below:

7.4.1 modify or replace the applicable facilities or equipment (including software) while maintaining form and function, such that any infringement is cured, or

7.4.2 obtain a license sufficient to allow such use to continue.

7.5 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 extraordinary 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.

7.6 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.

8. Treatment of Proprietary and Confidential Information

8.1 Confidential Information. It may be necessary for BellSouth and Grande Communications to provide each other with certain confidential information, including trade secret information, including but not limited to, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data, call detail records and like information (hereinafter collectively referred to as "Information"). All Information shall be in writing or other tangible form and clearly marked with a confidential, private or proprietary legend and that the Information will be returned to the owner within a reasonable time. The Information shall not be copied or reproduced in any form. Each Party that receives Information from the other Party shall not disclose such Information. Each Party shall protect the Information received from distribution, disclosure or dissemination to anyone except employees consultants, directors, officers, and existing and prospective lenders and investors of such Party with a need to know such Information and which persons or entities agree to be bound by the terms of this Section. BellSouth and Grande Communications will use the same standard of care to protect Information received as they would use to protect their own confidential and proprietary Information.

8.2 Exception to Obligation. Notwithstanding the foregoing, there will be no obligation on BellSouth or Grande Communications to protect any portion of the Information that is: (1) made publicly available by the owner of the Information or lawfully disclosed by a party other than BellSouth or Grande Communications; (2) lawfully obtained from any source other than the owner of the Information; (3)

previously known to the receiving Party without an obligation to keep it confidential; or (4) required to be disclosed pursuant to applicable law, regulation or order.

9. **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. Notwithstanding the foregoing, a Party may assign this Agreement or any right, obligation, duty or other interest hereunder to an entity that controls, is under common control with, or controlling of the Party or that purchases substantially all of the assets of such Party without the consent of the other Party. 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 of delegation hereof shall relieve the assignor of its obligations under this Agreement in the event that the assignee fails to perform such obligations.

10. **Taxes**

Each Party agrees that it will collect and remit any applicable state and federal taxes that such Party is required to collect and remit. If applicable, and if Grande Communications claims any exemption from any sales, use, or other tax with respect to the Services, then Grande Communications shall provide such exemption information to BellSouth. It will be the responsibility of Grande Communications to make sure that its proof of exempt status remains current. Grande Communications acknowledges and understands that all Call Charges are computed by BellSouth exclusive of any applicable federal, state or local use, excise, gross receipts, sales and privilege taxes, duties, fees or similar liabilities (other than general income or property taxes), whether charged to or against BellSouth or Grande Communications for the Services provided to Grande Communications (collectively, the "Additional Charges"), and that such Additional Charges shall be paid by Grande Communications in addition to all other charges provided for herein. In no event shall BellSouth be liable for any taxes or other Additional Charges due by Grande Communications and Grande Communications shall indemnify, defend and hold harmless BellSouth from and against all claims for taxes in connection with the Services provided hereunder or other Additional Charges.

11. **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, 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.

12. **Modification to Agreement**

12.1 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.

12.2 In the event that any final and nonappealable legislative, regulatory, judicial or other legal action materially affects any material terms of this Agreement, or the ability of Grande Communications or BellSouth to perform any material terms of this Agreement, Grande Communications or BellSouth may, on thirty (30) days' written notice require that such terms be renegotiated, in which event the Parties shall renegotiate in good faith such mutually acceptable new terms as may be required. Only if such good faith efforts do not result in a revised agreement, either party may, on ten (10) days written notice terminate this Agreement with no further liability, minimum volume or payment obligation hereunder.

12.3 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 effective 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.

13. **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 specific performance of any and all of the provisions of this Agreement.

14. **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.

15. **Arm's Length Negotiations**

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

16. **Notices**

16.1 Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered in person or given by postage prepaid mail, address to:

BellSouth Telecommunications, Inc.

Payment Address:

Account Manager
10th Floor
600 North 19th Street
Birmingham, Alabama 35203
Facsimile No.: _____

and

cc: General Attorney – Operator Services
Suite 4300
675 W. Peachtree St.
Atlanta, GA 30375
Facsimile No.: _____

Grande Communications Network, Inc.

Attn: Jerry James
President
401 Carlson Circle
San Marco, Texas 78666
Facsimile No: 517-878 - 4010
cc: General Counsel

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

- 16.2 Notices or other communications shall be effective, if delivered by overnight service, upon actual receipt by the intended recipient, or if by facsimile, upon confirmation of receipt, or if mailed, upon the date of delivery, or refusal, as shown by the return receipt therefor.

17. **Rule of Construction**

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

18. **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.

29. **Multiple Counterparts**

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

20. **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 between them, and neither Party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the Party to be bound thereby.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year above first written.

BellSouth Telecommunications, Inc.

Grande Communications Network, Inc.

Signature on File

Signature on File

Signature

Signature

C. W. Boltz
Name

Jerry James
Name

Managing Director
Title

President
Title

11/28/00

11/22/00

Date

Date

ATTACHMENT 1
PROVISION OF NATIONAL DIRECTORY
ASSISTANCE SERVICES

1. Discount Rates

The rates pursuant by which Grande Communications is to purchase the Services from BellSouth shall be as set forth in Exhibit A, attached hereto and incorporated herein by this reference.

2. Grande Communications Obligations

- 2.1 Grande Communications will deliver its Calls to BellSouth at the destinations agreed upon by both parties. The Calls shall be delivered over dedicated BellSouth Flat Rated DA trunks with SS7 functionality, sufficient in capacity to handle the maximum forecasted volume. Grande Communications will provide and/or subscribe to all facilities and equipment necessary to deliver the Calls to BellSouth. In no event will the untimely installation, faulty operation or non-operation of Grande Communications facilities or equipment relieve Grande Communications of its obligation to pay the Call charges for the Services.
- 2.2 Grande Communications is responsible for obtaining all federal and state regulatory approvals and licenses necessary to receive the Services for the purposes of providing said services to other telecommunications companies.
- 2.3 Grande Communications shall route the Calls to the designated BellSouth location(s) and such Calls will have the following call detail: 1) unique CIC, 2) CLI, CI parameters (optional), 3) BellSouth Flat Rated DA trunks with SS7 functionality and other call detail items according to Industry Standard.
- 2.4 Grande Communications will meet the following volume guarantees:
- 2.4.1 Grande Communications shall deliver to BellSouth a minimum of 12,000,000 Calls per year. Notwithstanding the foregoing, Grande Communications shall have a six-month transition period, beginning with the effective date of this Agreement to have its facilities in place and Calls being delivered to BellSouth, and before beginning the initial annual accounting period for the purposes of tracking the agreed upon call volume commitments. After six months from the date this Agreement is executed, Grande Communications must deliver a minimum of 12 million Calls annually thereafter to BellSouth. Failure to deliver such call volumes in any 12-month period shall result in Grande Communications being charged for any shortfall, to be determined and billed at the end of the term of this Agreement. In order to provide for both Parties' orderly management of known future increases and/or decreases in Call

volumes, whether caused by fluctuations in current customer demand for services, or by the planned addition of additional customers of Grande Communications, Grande Communications agrees to provide BellSouth with forecasts of anticipated future Call volumes on a semi-annual basis. In addition, no sooner than 75 days prior to the time that the Services are expected to be actually provided by BellSouth, Grande Communications will provide BellSouth with notice of any new customers obtained by Grande Communications, and such customers' expected Call volumes, provided, however, that Grande Communications may request a waiver of the advance notice requirement and, based on the availability of Services, BellSouth will not unreasonably withhold or delay such waiver. Such customer names, volume commitments and other such information shall be considered as confidential by the Parties.

2.4.2 Grande Communications may, only on the day prior to the end of the first applicable annual commitment period, elect to terminate this Agreement subject to the following terms and conditions. If Grande Communications elects to terminate this Agreement early pursuant to this Section 2.4.2 and Grande Communications has not achieved its annual level of calls during the first applicable annual commitment period, BellSouth shall determine and bill Grande Communications for the shortfall (i.e, committed calls minus actual calls received) in the committed calls at the rates agreed upon in this Agreement. If Grande Communications does not elect to terminate this Agreement on the day prior to the end of the first applicable annual commitment period, then the call volume commitments previously made shall continue for the duration of the term of the Agreement.

2.4.3 During the term of this Agreement, Grande Communications shall deliver, directly or indirectly, to BellSouth a minimum of 36,000,000 Calls (the "Contract Term Minimum"), exclusive of the 6-month transition period. Notwithstanding the foregoing, Grande Communications may meet the Contract Term Minimum any time during the term of this Agreement. BellSouth shall be the exclusive provider of Service until Grande Communications satisfies the Contract Term Minimum herein or until thirty-six (36) months after execution of this Agreement, whichever later occurs. When said Contract Term Minimum is met, Grande Communications shall have no further volume guarantee for the remainder of the Agreement. In the event that Grande Communications terminates the agreement, and has not yet fulfilled the Contract Term Minimum, other than pursuant to Section 12.2 of the Agreement or Section 2.4.2 or 5.3 of this Attachment or for cause, then Grande Communications shall be obligated to pay for the committed call volumes set forth herein required to satisfy the Contract Term Minimum. BellSouth will true up the number of calls actually delivered by or through Grande Communications to the minimum 36 million calls required over the term of the Agreement and shall present to Grande Communications a bill based on that volume of calls.

2.5 Grande Communications agrees to deliver Calls at a minimum of a DS-1 level using BellSouth Flat Rated DA trunks with SS7 functionality. BellSouth reserves the right to refuse to provide the Services unless such requirements are met by Grande Communications.

3. **BellSouth Obligations**

3.1 BellSouth shall handle issues regarding the Service commitments and levels directly with Grande Communications. All requests for credits, refunds and other billing issues from the end users of the Services will be generically referred to the applicable service provider.

3.2 BellSouth's Services will be digital quality with hard answer supervision and will be provided to Grande Communications through a SS7 interface, where available in the networks utilized by BellSouth.

3.3 BellSouth's Services shall meet the following technical standards:

3.3.1 BellSouth will utilize new and/or existing call centers located within BellSouth's territory to handle Grande Communications' Calls.

3.3.2 BellSouth shall utilize its own database content for Calls within its own service areas and will utilize a third party database content for telephone number requests outside of the BellSouth service territory. The Services to Grande Communications' customers will have the following accuracy requirements:

3.3.2.1 BellSouth will provide an accuracy level of 90% or greater for all available Regional Bell Operating Companies, Sprint and GTE data (collectively, "RBOC and Major Independent Company Data") in providing the Services to Grande Communications. Such accuracy shall be determined by audits of Calls received from or through Grande Communications in the BellSouth call centers for telephone number requests and comparing the listings against the results of test calls made directly to the appropriate local exchange carrier, pursuant to the requirements of Section 5 herein;

3.3.2.2 BellSouth will provide an accuracy level of 85% or greater for other non-RBOC and non-Major Independent Company Data (collectively "Other Data") used in providing the Services to Grande Communications. Such accuracy shall be determined by audits of Calls received from or through Grande Communications in the BellSouth call centers for telephone number requests and comparing those listings against the results of test calls made directly to the DA services of the appropriate local exchange carrier, pursuant to the requirements of Section 5 herein.

- 3.3.2.3 BellSouth's network will be provisioned to process Calls with at least a P.01 grade of service;
- 3.3.2.4 The Services provided by BellSouth hereunder will satisfy the Call answer time requirements and other requirements set forth in the applicable laws, regulations, rules and tariffs of the state or states in which the Call is presented to BellSouth for processing.
- 3.3.2.5 The monthly average Call handling time defined as average work time seconds per Call will be 30 seconds or less based on current Call mix; The monthly average answer time will be eight seconds or less once Call is presented to BellSouth Queue.
- 3.3.2.6 Calls will be processed by BellSouth in an accurate, polite, timely manner through automated or live response or a combination of both; future deployed automations by BellSouth will be made available to Grande Communications.
- 3.3.2.7 BellSouth will provide the Services to Grande Communications in compliance with all applicable laws, regulations and rules.
- 3.3.2.8 Initially, BellSouth will provide English speaking operators only, but BellSouth contemplates adding operators who are fluent in Spanish and possibly other languages.
- 3.3.2.9 BellSouth will provide to Grande Communications applicable company documentation of automated and live response procedures, call handling and services for the Services. Such information shall be provided to Grande Communications on a confidential basis under this Agreement.
- 3.3.3 BellSouth may provide expanded locality searches and phonetic searches if the customer is unsure of the exact locality and spelling of the requested name.
- 3.4 BellSouth shall have sole responsibility for installation, testing and operation of its facilities, services and equipment required to provide the Services.
- 3.5 At Grande Communications' option and upon a mutually agreeable implementation schedule, BellSouth will record a brand or introductory message relating to NDA and acceptable to BellSouth for the Service provided by BellSouth. Grande Communications shall limit its request to a single brand message or introductory message relating to NDA and acceptable to BellSouth for a designated period of time. The brand or introductory message relating to NDA and acceptable to BellSouth shall be no longer than 4 seconds in length. The one time charge for such branding will be as set forth on the attached Exhibit A.

- 3.6 At Grande Communications' option, BellSouth will provide release link trunking with a call completion message that will allow BellSouth to return a Call to Grande Communications at the location where Grande Communications delivered the Call to BellSouth. The purpose of returning the Call to Grande Communications is to enable Grande Communications to provide the Services call completion services for Grande Communications customers. BellSouth will provide a mutually agreed upon message, within the technical limitations of the systems utilized, to be played on all Calls received. Grande Communications acknowledges that it must utilize a NORTEL DMS switch architecture and 2-way Flat Rated DA trunk groups with SS7 functionality and release link trunking (RLT) capabilities activated for the Services to perform according to industry standards. Grande Communications may provide a Carrier Identification Code (CIC) on all appropriate trunk groups or a dedicated trunk group per customer for BellSouth to serve Grande Communications' customer's Calls. The following call types will not be offered call completion service: (1) Calls not released to BellSouth's audio equipment, (2) Calls for non-published telephone numbers (3) Calls for multiple numbers other than the last request found, and (4) for telephone numbers that could not be found.

4. BellSouth Reports

- 4.1 Monthly, BellSouth shall deliver to Grande Communications a written report of certain information with respect to the Calls and the Services for the previous month, including without limitation:
- 4.1.1 The number of Calls received by BellSouth;
- 4.1.2 The monthly average processing time over all Calls received;
- 4.1.3 The monthly average speed of answer;
- 4.1.4 The percent of Calls handled correctly by BellSouth personnel utilized to provide the Services to Grande Communications.

5. Accuracy of Service; Audits

- 5.1 During the term of this Agreement, there will be two scheduled audits of the Services per calendar year (the "Scheduled Audits"). The Scheduled Audits will be held in April and October of each year, unless Grande Communications requests in writing that a Scheduled Audit be held on an earlier date due to service quality issues. In such event, the Scheduled Audit will be held within 45 days of the date that Grande Communications sends BellSouth such request.
- 5.2 The Scheduled Audits and any Special Audits (as defined below) (collectively, the "Audits") will be designed to determine the accuracy of responses to the

Calls for the Services received from or through Grande Communications in the BellSouth call centers. The audit will compare the accuracy of the telephone numbers requested to the listings in the appropriate local exchange carrier's database. The Audits will be performed by a third party selected by BellSouth and approved by Grande Communications. The sampling size to be used for each Audit must be statistically valid for current traffic volumes at the time of the audit. BellSouth will pay all costs and expenses of the Audits. All Audit results will be delivered by the third party auditor to each Party. The results of such audits shall be considered by both Parties to be confidential under this Agreement.

- 5.3 If any Scheduled Audit reveals that BellSouth has not met the agreed upon accuracy levels set forth in Section 3 hereof, then BellSouth will take prompt appropriate action to bring the deficiency within the agreed upon accuracy levels. If any scheduled audit reveals that the Services with respect to RBOC and Major Independent Company Data is at least 88% but less than 90% accurate or that the Services with respect to Other Data is at least 83% but less than 85% accurate, then there will be a 60 day cure period. Another audit (a "Special Audit") will be performed at the conclusion of such cure period. If (i) any Scheduled Audit reveals that the Services with respect to RBOC and Major Independent Company Data is less than 88% accurate or the Services with respect to Other Data is less than 83% accurate and at the end of the 60 day cure period BellSouth has not satisfied the required accuracy levels, or (ii) any Special Audit reveals that the Services with respect to RBOC Data is less than 90% accurate or the Services with respect to Other Data is less than 85% accurate, then at the end of the appropriate cure period BellSouth has not satisfied the required accuracy levels, then Grande Communications may terminate this Agreement upon 30 day written notice to BellSouth.
- 5.4 At Grande Communications' request, BellSouth will issue a credit to Grande Communications for charges related solely to Calls on its next regular monthly bill for any reasonable and substantiated claims relating to BellSouth's provision of the Services. Grande Communications must bring requests for credits to BellSouth no later than 60 days after the event that entitles Grande Communications to a credit.
- 5.5 BellSouth will use its best efforts to remedy any delays, interruptions, omissions, mistakes, accidents or errors in the Services provided to Grande Communications and restore the Services in accordance with the Technical Standards.

EXHIBIT A

<u>Pricing Schedule</u>	<u>Rates per Call</u>
A. NDA service (36 million Calls)	\$.2300
B. Optional Services	
RLT with call completion message	\$.0350
Branding	\$.0025 ¹
Introductory message relating to NDA and acceptable to BellSouth	\$.0025 ¹

Note 1: The brand or introductory message relating to NDA and acceptable to BellSouth shall be no more than 4 seconds in length. In addition to the \$.0025 per Call, there shall be a one time branding charge of \$3,000 + \$250.00 per TOPS switch loading fee received by BellSouth. The one time charge for an introductory message relating to NDA and acceptable to BellSouth will be \$25,000 + \$270.00 per NAV shelf loading fee in addition to the \$.0025 per Call received by BellSouth. Grande Communications may, upon 30 days advance notice, request a change to the brand or introductory message relating to NDA and acceptable to BellSouth. Each change request shall be accompanied with payment of the charges set forth above.

A "Brand" is any conveyed word(s), number(s) or other information spoken via live operator or through automation, on behalf of Grande Communications or its telecommunications carrier customers, including but not limited to, such introductory phrases as "Directory Assistance," "Grande Communications," (Grande Communications' telecommunications carrier customer's company name) prior to BellSouth's initial prompt to the end user customer.

An "Introductory message relating to NDA and acceptable to BellSouth" is any other conveyed word(s), number(s) or other information spoken between the "Brand" and BellSouth's initial prompt to the end user customer.