

AGREEMENT

BETWEEN

KENTUCKY ALLTEL, INC.

&

STATE DISCOUNT TELEPHONE, LLC

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GENERAL TERMS AND CONDITIONS

This Agreement ("Agreement") is entered between State Discount Telephone ("State Discount Telephone"), a Texas corporation, having an office at 2023 Sam Houston Avenue, Suite 2, Huntsville, Texas 77340 and Kentucky ALLTEL, Inc. ("ALLTEL"), a Kentucky corporation, having an office at One Allied Drive, Little Rock, Arkansas, 72202.

WHEREAS, pursuant to the Telecommunications Act of 1996 (the Act), the Parties wish to establish terms for the provision of certain services and Ancillary Functions as designated in the Attachments hereto.

NOW, THEREFORE, in consideration of the premises and the mutual covenants of this Agreement, the Parties hereby agree as follows:

1.0 Introduction

- 1.1 This Agreement, in accordance with §§ 251 (a) and (b) of the Act, sets forth the terms, conditions and prices under which ALLTEL may provide State Discount Telephone (a) services for resale (hereinafter referred to as Resale Services), and (b) Ancillary Functions. The specific services, functions, or facilities which ALLTEL agrees to provide are those specifically identified in appendixes attached to this Agreement, and executed simultaneously with this general terms and conditions. Further this Agreement sets forth the terms, conditions, and prices under which State Discount Telephone will provide services to ALLTEL, where applicable.
- 1.2 This Agreement includes and incorporates herein the Attachments of this Agreement, and all accompanying Appendices, Addenda and Exhibits.
- 1.3 The Parties acknowledge and agree that by entering into and performing in accordance with this Agreement, ALLTEL has not waived or relinquished any applicable exemptions that are provided by or available under the Act, including but not limited to those described in § 251(f) of the Act, or under state law.

2.0 Effective Date

- 2.1 The Effective Date of this Agreement will be July 31, 2002.

3.0 Intervening Law

- 3.1 This Agreement is entered into as a result of private negotiations between the Parties, acting pursuant to the Act, and/or other applicable state laws or Commission rulings. If the actions of state or federal legislative bodies, courts, or regulatory agencies of competent jurisdiction invalidate, modify, or stay the enforcement of laws or regulations that were the basis for a provision of this Agreement, the affected provision will be invalidated, modified, or stayed as required by action of the legislative body, court, or regulatory agency. In such event, the Parties shall in good faith attempt to arrive at an agreement respecting the modifications to the Agreement required. If negotiations fail, disputes between the Parties concerning the interpretation of the actions required or provisions affected by such governmental actions will be resolved pursuant to any process available to the Parties under law, provided that the Parties may mutually agree to use the dispute resolution process provided for in this Agreement.

4.0 Term of Agreement

- 4.1 The Parties agree to the provisions of this Agreement for a term of one (1) year from the Effective Date of this Agreement, and thereafter the Agreement shall automatically renew for successive one (1) year terms, unless and until terminated as provided herein.

- 4.2 Either Party may terminate this Agreement by providing written notice of termination to the other Party. Such written notice shall be provided at least ninety (90) days in advance of the date of termination.
- 4.3 Either Party may request for this Agreement to be renegotiated upon the termination of this Agreement. The noticing Party will delineate the items desired to be negotiated. Not later than thirty (30) days from receipt of said notice, the receiving Party will notify the sending Party of additional items desired to be negotiated, if any. Not later than one hundred thirty-five (135) days from the receipt of request for renegotiations, the parties will commence negotiation.
- 4.4 By mutual agreement, ALLTEL and State Discount Telephone may amend this Agreement in writing to modify its terms.
- 4.5 A Party may terminate this Agreement by giving the other Party written notice of its desire to terminate at least thirty (30) days prior to the intended date of termination if:
- (i) the other party makes an assignment for the benefit of creditors,
 - (ii) the other Party makes an unauthorized assignment of this Agreement,
- 4.6 A Party may terminate this Agreement immediately if the other Party fails to perform any of its obligations under this Agreement in any material respect and such material failure continues without remedy for a period of thirty (30) days after written notice is given by the non-defaulting Party to the defaulting Party.
- 4.7 Upon expiration or termination of this Agreement, if either Party desires uninterrupted service under this Agreement during negotiations of a new agreement, the requesting Party shall provide the other Party written notification appropriate under the Act. Upon receipt of such notification, the same terms, conditions, and prices will continue in effect as were in effect at the end of the latest term, or renewal, so long as negotiations are continuing without impasse and then until resolution pursuant to this Section. If the Parties are actually in arbitration or mediation before the appropriate Commission or FCC prior to expiration of this Agreement, this Agreement will continue in effect only until the issuance of an order, whether a final non-appealable order or not, by the Commission or FCC resolving the issues set forth in such arbitration or mediation request.
- 4.8 The Parties agree to resolve any disputed matter relating to this Agreement pursuant to § 9.0 Dispute Resolution.

5.0 Assignment

- 5.1 Neither Party may assign, subcontract, or otherwise transfer its rights or obligations under this Agreement except under such terms and conditions as are mutually acceptable to the other Party and with such Party's prior written consent, which consent shall not be unreasonably withheld; provided that either Party may assign its rights and delegate its benefits, and delegate its duties and obligations under this Agreement without the consent of the other Party to a one hundred percent (100%) commonly owned affiliate of that Party that is also the recipient of the relevant assets of the assignor. Nothing in this Section is intended to impair the right of either Party to utilize subcontractors.
- 5.2 Each Party will notify the other in writing not less than sixty (60) days in advance of anticipated assignment

6.0 Confidential and Proprietary Information

- 6.1 For the purposes of this Agreement, confidential information means confidential or proprietary technical, customer, end user, or network information given by one Party (the "Discloser") to the

other (the "Recipient"), which is disclosed by one Party to the other in connection with this Agreement, during negotiations and the term of this Agreement ("Confidential Information"). Such Confidential Information shall automatically be deemed proprietary to the Discloser and subject to this § 6.0, unless otherwise confirmed in writing by the Discloser. All other information, which is indicated and marked, as Confidential Information at the time of disclosure shall also be treated as Confidential Information under § 6.0 of this Agreement. The Recipient agrees (i) to use Confidential Information only for the purpose of performing under this Agreement, (ii) to hold it in confidence and disclose it to no one other than its employees having a need to know for the purpose of performing under this Agreement, and (iii) to safeguard it from unauthorized use or disclosure using at least the same degree of care with which the Recipient safeguards its own Confidential Information. If the Recipient wishes to disclose the Discloser's Confidential Information to a third-party agent or consultant, such disclosure must be agreed to in writing by the Discloser, and the agent or consultant must have executed a written agreement of nondisclosure and nonuse comparable to the terms of this Section.

- 6.2 The Recipient may make copies of Confidential Information only as reasonably necessary to perform its obligations under this Agreement. All such copies will be subject to the same restrictions and protections as the original and will bear the same copyright and proprietary rights notices as are contained on the original.
- 6.3 The Recipient agrees to return all Confidential Information to the Discloser in tangible form received from the Discloser, including any copies made by the Recipient within thirty (30) days after a written request is delivered to the Recipient, or to destroy all such Confidential Information if directed to do so by Discloser except for Confidential Information that the Recipient reasonably requires to perform its obligations under this Agreement. If either Party loses or makes an unauthorized disclosure of the other Party's Confidential Information, it will notify such other party immediately and use reasonable efforts to retrieve the lost or wrongfully disclosed information.
- 6.4 The Recipient will have no obligation to safeguard Confidential Information: (i) which was in the possession of the Recipient free of restriction prior to its receipt from the Discloser; (ii) after it becomes publicly known or available through no breach of this Agreement by the Recipient, (iii) after it is rightfully acquired by the Recipient free of restrictions on its disclosure, or (iv) after it is independently developed by personnel of the Recipient to whom the Discloser's Confidential Information had not been previously disclosed. In addition, either Party will have the right to disclose Confidential Information to any mediator, arbitrator, state or federal regulatory body, or a court in the conduct of any mediation, arbitration or approval of this Agreement, as long as, in the absence of an applicable protective order, the Discloser has been previously notified by the Recipient in time sufficient for the Recipient to undertake lawful measures to avoid disclosing such information and for Discloser to have reasonable time to seek or negotiate a protective order before or with any applicable mediator, arbitrator, state or regulatory body or a court.
- 6.5 The Parties recognize that an individual end user may simultaneously seek to become or be a customer of both Parties. Nothing in this Agreement is intended to limit the ability of either Party to use customer specific information lawfully obtained from end users or sources other than the Discloser.
- 6.6 Each Party's obligations to safeguard Confidential Information disclosed prior to expiration or termination of this Agreement will survive such expiration or termination for a period of three (3) years.
- 6.7 Except as otherwise expressly provided elsewhere in this Agreement, no license is hereby granted with respect to any patent, trademark, or copyright, nor is any such license implied solely by virtue of the disclosure of any Confidential Information.
- 6.8 Each Party agrees that the Discloser may be irreparably injured by a disclosure in breach of this Agreement by the Recipient or its representatives and the Discloser will be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach or threatened breach of the confidentiality provisions of this Agreement. Such remedies will not be

deemed to be the exclusive remedies for a breach of this Agreement, but will be in addition to all other remedies available at law or in equity.

7.0 Liability and Indemnification

7.1 Limitation of Liabilities

With respect to any claim or suit for damages arising out of mistakes, omissions, defects in transmission, interruptions, failures, delays or errors occurring in the course of furnishing any service hereunder, the liability of the Party furnishing the affected service, if any, shall not exceed an amount equivalent to the proportionate charge to the other Party for the period of that particular service during which such mistakes, omissions, defects in transmission, interruptions, failures, delays or errors occurs and continues; provided, however, that any such mistakes, omissions, defects in transmission, interruptions, failures, delays, or errors which are caused by the gross negligence or willful, wrongful act or omission of the complaining Party or which arise from the use of the complaining Party's facilities or equipment shall not result in the imposition of any liability whatsoever upon the other Party furnishing service.

7.2 No Consequential Damages

EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, RELIANCE, OR SPECIAL DAMAGES SUFFERED BY SUCH OTHER PARTY (INCLUDING WITHOUT LIMITATION DAMAGES FOR HARM TO BUSINESS, LOST REVENUES, LOST SAVINGS, OR LOST PROFITS SUFFERED BY SUCH OTHER PARTY), REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, WARRANTY, STRICT LIABILITY, OR TORT, INCLUDING WITHOUT LIMITATION NEGLIGENCE OF ANY KIND WHETHER ACTIVE OR PASSIVE, AND REGARDLESS OF WHETHER THE PARTIES KNEW OF THE POSSIBILITY THAT SUCH DAMAGES COULD RESULT. EACH PARTY HEREBY RELEASES THE OTHER PARTY (AND SUCH OTHER PARTY'S SUBSIDIARIES AND AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS) FROM ANY SUCH CLAIM. NOTHING CONTAINED IN THIS SECTION WILL LIMIT EITHER PARTY'S LIABILITY TO THE OTHER PARTY FOR (i) WILLFUL OR INTENTIONAL MISCONDUCT (INCLUDING GROSS NEGLIGENCE) OR (ii) BODILY INJURY, DEATH, OR DAMAGE TO TANGIBLE REAL OR TANGIBLE PERSONAL PROPERTY.

7.3 Obligation to Indemnify

7.3.1 Each Party shall be indemnified and held harmless by the other Party against claims, losses, suits, demands, damages, costs, expenses, including reasonable attorneys' fees ("Claims"), asserted, suffered, or made by third parties arising from any act or omission of the indemnifying Party in connection with its performance or non-performance under this Agreement, unless such act or omission was caused by the negligence or willful misconduct of the indemnified Party. Each Party shall also be indemnified and held harmless by the other Party against claims and damages of persons for services furnished by the indemnifying Party or by any of its subcontractors, under worker's compensation laws or similar statutes.

7.3.2 Each Party agrees to release, defend, indemnify, and hold harmless the other Party from any claims, demands or suits that asserts any infringement or invasion of privacy or confidentiality of any person or persons caused or claimed to be caused, directly or indirectly, by the Indemnifying Party's employees and equipment associated with the provision of any service herein. This provision includes but is not limited to suits arising from unauthorized disclosure of the end user's name, address, or telephone number.

- 7.3.3 When the lines or services of other companies and carriers are used in establishing connections to and/or from points not reached by a Party's lines, neither Party shall be liable to the other Party for any act or omission of the other companies or carriers.

7.4 **Obligation to Defend; Notice; Cooperation**

Whenever a claim arises for indemnification under this Section (the "Claim"), the relevant Indemnatee, as appropriate, will promptly notify the Indemnifying party and request the Indemnifying Party to defend the same. Failure to so notify the Indemnifying Party will not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's rights or ability to defend such Claim. The Indemnifying Party will have the right to defend against such Claim in which event the Indemnifying Party will give written notice to the Indemnatee of acceptance of the defense of such Claim and the identity of counsel selected by the Indemnifying Party. Except as set forth below, such notice to the relevant Indemnatee will give the Indemnifying Party full authority to defend, adjust, compromise, or settle such Claim with respect to which such notice has been given, except to the extent that any compromise or settlement might prejudice the Intellectual Property Rights or other rights of the relevant Indemnities. The Indemnifying Party will consult with the relevant Indemnatee prior to any compromise or settlement that would affect the Intellectual Property Rights or other rights of any Indemnatee, and the relevant Indemnatee will have the right to refuse such compromise or settlement and, at such Indemnatee's sole cost, to take over defense of such Claim. Provided, however, that in such event the Indemnifying Party will not be responsible for, nor will it be obligated to indemnify the relevant Indemnatee against any damages, costs, expenses, or liabilities, including without limitation, attorneys' fees, in excess of such refused compromise or settlement. With respect to any defense accepted by the Indemnifying Party, the relevant Indemnatee will be entitled to participate with the Indemnifying Party in such defense if the Claim requests equitable relief or other relief (other than monetary damages) that could affect the rights of the Indemnatee and also will be entitled to employ separate counsel for such defense at such Indemnatee's expense. In the event the Indemnifying Party does not accept the defense of any indemnified Claim as provided above, the relevant Indemnatee will have the right to employ counsel for such defense at the expense of the Indemnifying Party, and the Indemnifying Party shall be liable for all costs associated with Indemnatee's defense of such Claim including court costs, and any settlement or damages awarded a third party. Each Party agrees to cooperate and to cause its employees and agents to cooperate with the other Party in the defense of any such Claim.

8.0 **Payment of Rates and Late Payment Charges**

- 8.1 Except as otherwise specifically provided elsewhere in this Agreement, the Parties will pay all undisputed invoice rates and charges due and owing under this Agreement within thirty (30) days of the invoice date. The Parties represent and covenant to each other that all invoices will be promptly processed and mailed in accordance with the Parties' regular procedures and billing systems.
- 8.1.1 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 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 preceding such Saturday or Holiday. If payment is not received by the payment due date, a late penalty, as set forth in 8.3 below, will be assessed.
- 8.2 If the amount billed is received by the billing Party after the payment due date or if any portion of the payment is received by the billing Party in funds which are not immediately available to the billing Party, then a late payment charge will apply to the unpaid balance.

- 8.3 Except as otherwise specifically provided in this Agreement, the Parties agree interest on overdue invoices will apply at the lesser of the highest interest rate (in decimal value) which may be levied by law for commercial transactions, compounded daily and applied for each month or portion thereof that an outstanding balance remains, or 0.000325, compounded daily and applied for each month or portion thereof that an outstanding balance remains.

9.0 Dispute Resolution

9.1 Notice of Disputes

Notice of a valid dispute, whether billing or contractual in nature, must in writing specifically documenting the total dollar amount of the dispute and a detailed description of the underlying dispute (the "Dispute Notice").

9.1.1 Billing Disputes

A Party must submit reasonable and valid billing disputes ("Billing Disputes") to the other Party within six (6) months from the due date. The Parties will endeavor to resolve all Billing Disputes within ninety (90) days from the receipt of the Dispute Notice. Billing disputes will be deemed reasonable and valid only if listed in the ALLTEL FCC Tariff No. 1.

9.1.2 All Other Disputes

All other disputes (i.e., contractual disputes) must be reasonable in nature and within the scope of this Agreement, and the applicable Statute of Limitations shall govern such disputes.

9.2 Alternative to Litigation

9.2.1 The Parties desire to resolve disputes arising out of this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this Dispute Resolution process, the Parties agree to use the following Dispute Resolution procedure with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

9.2.2 Each Party agrees to promptly notify the other Party in writing of a dispute and may in the Dispute Notice invoke the informal dispute resolution process described in § 9.3. The Parties will endeavor to informally resolve the dispute within ninety (90) days after the Date of the Dispute Notice.

9.3 Informal Resolution of Disputes

In the case of a dispute and upon receipt of the Dispute Notice each Party will appoint a duly authorized representative knowledgeable in telecommunications matters, to meet and negotiate in good faith to resolve any dispute arising under this Agreement. The location, form, frequency, duration, and conclusion of these discussions will be left to the discretion of the representatives. Upon agreement, the representatives may, but are not obligated to, utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and the correspondence among the representatives for purposes of settlement are exempt from discovery and production and will not be admissible in the arbitration described below or in any lawsuit without the concurrence of both parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and, if otherwise admissible, may be admitted in evidence in the arbitration or lawsuit. Unless otherwise provided herein, or upon the Parties' agreement, neither Party may invoke formal dispute resolution procedures including arbitration or other procedures as appropriate sooner than

ninety (90) days after the date of the Dispute Notice, provided the Party invoking the formal dispute resolution process has negotiated in good faith with the other Party.

9.4 **Formal Dispute Resolution**

9.4.1 The Parties agree that any disputes not resolved pursuant to the informal procedure set forth in § 9.3, which involve amounts which represent Fifty Thousand Dollars (\$50,000) or less annually, whether measured by the disputing Party in terms of actual amounts owed or owing, or as amounts representing its business or other risks or obligations relating to the matter in dispute, will be submitted to binding arbitration pursuant to the provisions of § 9.6. During the first contract year the Parties will annualize the initial months up to one year.

9.4.2 The Parties agree that any disputes not resolved pursuant to the informal procedures set forth in § 9.3 which involve amounts which represent more than Thousand Dollars (\$50,000) annually, whether measured by the disputing Party in terms of actual amounts owed or owing, or as amounts representing its business or other risks or obligations relating to the matter in dispute, then either party may proceed with any remedy available to it pursuant to law, equity or agency mechanisms; provided, that upon mutual agreement of the Parties such disputes may also be submitted to binding arbitration pursuant to § 9.6. During the first contract year the Parties will annualize the initial months up to one year.

9.4.3 The Parties agree that all undisputed billed amounts are to be paid when due, and that interest shall apply to all overdue undisputed invoices as set forth in the General Terms and Conditions, § 8.0 of this Agreement. The Parties agree that the disputing Party may withhold payments of any disputed charges until the Parties resolve the Billing Dispute. The Parties further agree that if any Billing Dispute is resolved in favor of the non-disputing Party, the non-disputing Party shall receive interest applied to the disputed amount as set forth in the General Terms and Conditions, §, 8.0 of this Agreement.

9.5 **Conflicts**

The Parties agree that the Dispute Resolution procedures set forth in this Agreement are not intended to conflict with applicable requirements of the Act or the state Commission with regard to procedures for the resolution of disputes arising out of this Agreement.

9.6 **Arbitration**

9.6.1 Any disputes involving amounts which represent Thousand Dollars (\$50,000) or less annually, not resolved pursuant to the informal dispute resolution procedures set forth in § 9.3 within ninety (90) days of the Dispute Notice shall be submitted to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. A Party may demand such arbitration in accordance with the procedures set out in those rules. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this Section. Each Party may submit in writing to a Party, and that Party shall so respond, to a maximum of any combination of thirty-five (35) (none of which may have subparts) of the following: interrogatories; demands to produce documents; requests for admission.

9.6.2 Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within ninety (90) days of the demand for arbitration. The arbitration shall be held in the state capitol of the state where the Interconnection Services are provided. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties shall submit written briefs five days before the hearing. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) days after the close of hearings. The arbitrator shall have no authority to order punitive or consequential damages. The times specified in this Section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause.

Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

9.7 **Costs**

Each Party shall bear its own costs of these procedures. A Party seeking discovery shall reimburse the responding Party for the costs of production of documents (including search time and reproduction costs).

10.0 Termination of Service to State Discount Telephone

- 10.1 Failure of State Discount Telephone to pay undisputed charges shall be grounds for termination of this Agreement. If State Discount Telephone fails to pay when due, any undisputed charges billed to State Discount Telephone under this Agreement (Undisputed Unpaid Charges), and any portion of such charges remain unpaid more than thirty (30) days after the due date of such Undisputed Unpaid Charges, ALLTEL will notify State Discount Telephone in writing that in order to avoid having service disconnected, State Discount Telephone must remit all Undisputed Unpaid Charges to ALLTEL within thirty (30) days after receipt of said notice (the "Termination Notice"). Disputes hereunder will be resolved in accordance with the Dispute Resolution Procedures set out in § 9.0 of this Agreement.
- 10.2 If any State Discount Telephone Undisputed Unpaid Charges remain unpaid at the conclusion of the time period as set forth in § 10.1 above (60 days from the due date of such Undisputed Unpaid Charges), ALLTEL will notify State Discount Telephone, the appropriate commission(s) in writing, that unless all Undisputed Unpaid Charges are paid within thirty (30) days, State Discount Telephone's service will be disconnected and State Discount Telephone's end users may be switched to ALLTEL local service and ALLTEL will suspend order acceptance.
- 10.3 If any State Discount Telephone Undisputed Unpaid Charges remain outstanding past the due date of the Undisputed Unpaid Charges as described in § 10.2 above, State Discount Telephone will, at its sole expense, notify its end users, the Commission and the end user's of Record that their service may be disconnected for State Discount Telephone's failure to pay Undisputed Unpaid Charges, and that its end users must select a new local service provider within thirty (30) calendar days. The notice will also advise the end user that ALLTEL will assume the end user's account at the end of the thirty (30) calendar day period should the end user fail to select a new local service provider.
- 10.4 If any State Discount Telephone Undisputed Unpaid Charges remain outstanding one hundred twenty (120) days past the due date, ALLTEL will disconnect State Discount Telephone and may transfer all State Discount Telephone's end users that have not selected another local service provider directly to ALLTEL's service. These end users will receive the same services provided through State Discount Telephone at the time of transfer. ALLTEL will inform the Commission and the end user's IXC(s) of Record of the names of all end users transferred through this process. Applicable service establishment charges for switching end users from State Discount Telephone to ALLTEL will be assessed to State Discount Telephone.
- 10.5 Within five (5) calendar days of the transfer (120 days past State Discount Telephone's due date), ALLTEL will notify all affected end users that because of a State Discount Telephone's failure to pay Undisputed Unpaid Charges, their service is now being provided by ALLTEL. ALLTEL will also notify the end user that they have thirty (30) calendar days to select a new local service provider. If the end user does not select a new local service provider within thirty (30) calendar days the customer will remain an ALLTEL local customer.
- 10.6 ALLTEL may discontinue service to State Discount Telephone upon failure to pay Undisputed Unpaid Charges as provided in this Section, and will have no liability to State Discount Telephone in the event of such disconnection. Provided, however, ALLTEL will not discontinue any service or terminate this Agreement for State Discount Telephone's failure to pay Undisputed Unpaid

Charges, unless State Discount Telephone fails to pay such Undisputed Unpaid Charges as described above.

- 10.7 After disconnect procedures have begun, ALLTEL will not accept service orders from State Discount Telephone until all Undisputed Unpaid Charges are paid in full, in immediately available funds. ALLTEL will have the right to require a deposit equal to two month's charges (based on the highest previous month of service from ALLTEL) prior to resuming service to State Discount Telephone after disconnect for nonpayment.
- 10.8 Beyond the specifically set out limitations in this Section, nothing herein will be interpreted to obligate ALLTEL to continue to provide service to any such end users or to limit any and all disconnection rights ALLTEL may have with regard to such end users.

11.0 Notices

- 11.1 Except as otherwise specifically provided in this Agreement, all notices, consents, approvals, modifications, or other communications to be given under the terms of this Agreement shall be in writing and sent postage prepaid by registered mail return receipt requested. Notice may also be effected by personal delivery or by overnight courier. All notices will be effective upon receipt. All notices shall be directed to the following:

If to State Discount Telephone:

Misty Fruge'
State Discount Telephone, LLC
2023 Sam Houston Avenue, Suite 2
Huntsville, TX 77340

If to ALLTEL:

Staff Manager – Wholesale Services
One Allied Drive, Building IV
Little Rock, Arkansas 72202

- 11.2 Either Party may unilaterally change its designated representative and/or address for the receipt of notices by giving seven (7) days prior written notice to the other Party in compliance with this Section.

12.0 Taxes

- 12.1 Each Party purchasing services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges (hereinafter "Tax") levied against or upon such purchasing Party (or the providing Party when such providing Party is permitted to pass along to the purchasing Party such taxes, fees or surcharges), except for any tax on either Party's corporate existence, status or income. Whenever possible, these amounts shall be billed as a separate item on the invoice. Purchasing Party may be exempted from certain taxes if purchasing Party provides proper documentation, e.g., reseller certificate, from the appropriate taxing authority. Failure to timely provide said resale tax exemption certificate will result in no exemption being available to the purchasing Party until such time as the purchasing Party presents a valid certification.
- 12.2 With respect to any purchase of services, facilities or other arrangements, if any Tax is required or permitted by applicable law to be collected from the purchasing party by the providing party, then (i) the providing party shall bill the purchasing party for such Tax, (ii) the purchasing party shall remit such Tax to the providing party and (iii) the providing party shall remit such collected Tax to the applicable taxing authority, except as otherwise indicated below.

- 12.3 The Parties agree that each Party shall generally be responsible for collecting and remitting to the appropriate city, any franchise fees or taxes for use of city rights of way, in accordance with the terms of that Party's franchise agreement. If a city attempts to impose a franchise fee on the ALLTEL revenues that it receives from State Discount Telephone with respect to resold services, State Discount Telephone will collect, if required, the related franchise fees from its customers and remit them to ALLTEL. In the event a city attempts to require both ALLTEL and State Discount Telephone to pay franchise fees on the same revenues with respect to resold services or unbundled network elements then the parties agree to cooperate in opposing such double taxation.
- 12.4 With respect to any purchase hereunder of services, facilities or arrangements that are resold to a third party, if any Tax is imposed by applicable law on the end user in connection with any such purchase, then (i) the purchasing party shall be required to impose and/or collect such Tax from the end user and (ii) the purchasing party shall remit such Tax to the applicable taxing authority. The purchasing party agrees to indemnify and hold harmless the providing party on an after-tax basis for any costs incurred by the providing party as a result of actions taken by the applicable taxing authority to collect the Tax from the providing party due to the failure of the purchasing party to pay or collect and remit such tax to such authority.
- 12.5 If the providing party fails to collect any Tax as required herein, then, as between the providing party and the purchasing party, (i) the purchasing party shall remain liable for such uncollected Tax and (ii) the providing party shall be liable for any penalty and interest assessed with respect to such uncollected Tax by such authority. However, if the purchasing party fails to pay any taxes properly billed, then, as between the providing party and the purchasing party, the purchasing party will be solely responsible for payment of the taxes, penalty and interest.
- 12.6 If the purchasing party fails to impose and/or collect any Tax from end users as required herein, then, as between the providing party and the purchasing party, the purchasing party shall remain liable for such uncollected Tax and any interest and penalty assessed thereon with respect to the uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing party has agreed to pay or impose on and/or collect from end users, the purchasing party agrees to indemnify and hold harmless the providing party on an after-tax basis for any costs incurred by the providing party as a result of actions taken by the applicable taxing authority to collect the Tax from the providing Party due to the failure of the purchasing party to pay or collect and remit such Tax to such authority.
- 12.7 All notices, affidavits, exemption certificates or other communications required or permitted to be given by either Party to the other under this Section shall be made in writing and sent postage prepaid by registered mail return receipt requested. All notices shall be effective upon receipt. All notices under this Section shall be directed to the following:

To ALLTEL:

Director State and Local Taxes
ALLTEL Service Corporation
One Allied Drive
P.O. Box 2177
Little Rock, AR 72203

Copy to:

Staff Manager – Wholesale Services
ALLTEL Service Corporation
One Allied Drive
P.O. Box 2177
Little Rock, AR 72203

To State Discount Telephone:

Misty Fruge'
State Discount Telephone, LLC
2023 Sam Houston Avenue, Suite 2
Huntsville, TX 77340

- 12.8 Either Party may unilaterally change its designated representative and/or address for the receipt of notices under this Section by giving seven (7) days prior written notice to the other Party in compliance with this Section.

13.0 Force Majeure

- 13.1 Except as otherwise specifically provided in this Agreement, neither Party shall be liable for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; or labor unrest, including, without limitation strikes, slowdowns, picketing or boycotts or delays caused by the other Party or by other service or equipment vendors; or any other similar circumstances beyond the Party's reasonable control. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its reasonable commercial efforts to avoid or remove the cause of nonperformance and both Parties shall proceed to perform with dispatch once the causes are removed or cease. Notwithstanding anything herein to the contrary, if any delay or nonperformance described herein exceeds thirty (30) days, the Party owed such performance, will have the right (but not the obligation) to terminate this Agreement without penalty or liability other than for amounts owed as of the date of termination. Such termination must be in writing.

14.0 Publicity

- 14.1 The Parties agree not to use in any advertising or sales promotion, press releases or other publicity matters, any endorsements, direct or indirect quotes or pictures implying endorsement by the other Party or any of its employees without such Party's prior written approval. The Parties will submit to each other for written approval, prior to publication, all such publicity endorsement matters that mention or display the other's name and/or marks or contain language from which a connection to said name and/or marks may be inferred or implied.
- 14.2 Neither Party will offer any services using the trademarks, service marks, trade names, brand names, logos, insignia, symbols or decorative designs of the other Party or its affiliates without the other Party's written authorization.

15.0 Network Maintenance and Management

- 15.1 The Parties will work cooperatively to implement this Agreement. The Parties will exchange appropriate information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government, etc.) to achieve this desired reliability, subject to the confidentiality provisions herein.
- 15.2 Each Party will provide a 24-hour contact number for Network Traffic Management issues to the other's surveillance management center. A facsimile (FAX) number must also be provided to facilitate event notifications for planned mass calling events. Additionally, both Parties agree that they will work cooperatively to ensure that all such events will attempt to be conducted in such a manner as to avoid disruption or loss of service to other end users.

15.2.1 **24 Hour Network Management Contact:**

For ALLTEL:

Contact Number:	330-650-7900
Facsimile Number:	330-650-7918

For State Discount Telephone:

Contact Number:	936-295-9600
Facsimile Number:	936-435-9601

- 15.3 Neither Party will use any service provided under this Agreement in a manner that impairs the quality of service to other carriers or to either Party's subscribers. Either Party will provide the other Party notice of said impairment at the earliest practicable time.

16.0 Law Enforcement and Civil Process

16.1 Intercept Devices

Local and federal law enforcement agencies periodically request information or assistance from local service providers. When either Party receives a request associated with a customer of the other Party, the receiving Party will refer such request to the appropriate Party, unless the request directs the receiving Party to attach a pen register, trap-and-trace or form of intercept on the Party's own facilities, in which case that Party will comply with any valid requirement, to the extent the receiving party is able to do so; if such compliance requires the assistance of the other Party such assistance will be provided.

16.2 Subpoenas

If a Party receives a subpoena for information concerning an end user the Party knows to be an end user of the other Party, the receiving Party will refer the subpoena to the requesting entity with an indication that the other Party is the responsible company.

16.3 Law Enforcement Emergencies

If a Party receives a request from a law enforcement agency to implement at its switch a temporary number change, temporary disconnect, or one-way denial of outbound calls for an end user of the other Party, the receiving Party will comply so long as it is a valid emergency request. Neither Party will be held liable for any claims or damages arising from compliance with such requests, and the Party serving the end user agrees to indemnify and hold the other Party harmless against any and all such claims.

17.0 Changes in Subscriber Carrier Selection

17.1 Guidelines for Changes in Subscriber Carrier Selection

17.1.1 Each Party will abide by applicable state or federal laws and regulations in obtaining end user authorization prior to changing end user's State Discount Telephone to itself and in assuming responsibility for any applicable charges as specified in § 258 (b) of the Telecommunications Act of 1996. Either Party shall make authorization available to the other Party upon request and at no charge.

17.1.2 Only an end user can initiate a challenge to a change in its local exchange service provider. If an end user notifies ALLTEL or State Discount Telephone that the end user

requests local exchange service, the Party receiving such request shall be free to immediately provide service to such end user.

- 17.1.3 When an end user changes or withdraws authorization, each Party will release customer specific facilities in accordance with the end user customers' direction or the end user's authorized agent. Further, when an end user abandons the premise, ALLTEL is free to reclaim the facilities for use by another customer and is free to issue service orders required to reclaim such facilities.

17.2 Procedures for End User Changes in Service Provider

- 17.2.1 The Parties agree that it will be necessary for the Parties to manage certain service activities to minimize disruption to end users when end users change service providers. The Parties agree to establish mutually acceptable, reasonable, and efficient procedures for the exchange of necessary information between the Parties for the purpose of managing these end user service change activities. The Parties further agree that requests will be submitted according to guidelines established by the OBF for such purposes.

17.2.2 Service Announcement

In the case where an end user changes service from one Party to the other Party and the end user does not retain its original telephone number, the Party formerly providing service to the end user will provide a transfer of service announcement (intercept) on the vacated telephone number in offices where intercept is available. In parity with retail if there is a charge to intercept a number in the tariff, then the said reseller will also incur that charge. Said charges will not exceed the retail rate for any customer. In either case, this announcement will provide the new number that must be dialed to reach this end user. The service announcement or the Remote Call Forwarding will be provided by the Party formerly providing service for ninety (90) days for residential customers and one hundred eighty (180) days for business customers except when the business customer has yellow page advertising in such case the intercept will remain in place for the life of the directory.

18.0 Amendments or Waivers

- 18.1 Except as otherwise provided in this Agreement, no amendment to this Agreement will be effective unless the same is in writing and signed by an authorized representative of each Party. In addition, no course of dealing or failure of a Party strictly to enforce any term, right or condition of this Agreement will be construed as a waiver of such term, right, or condition. By entering into this Agreement, the Parties do not waive any right granted to them pursuant to the Act; and, the Parties enter into this Agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, other public forum, contract negotiation, bona fide request, or arbitration addressing any matters, including matters related to the types of arrangements prescribed by this Agreement.

19.0 Authority

- 19.1 Each person whose signature appears below represents and warrants that he or she has authority to bind the Party on whose behalf he or she has executed this Agreement.

20.0 Binding Effect

- 20.1 This Agreement will be binding on and inure to the benefit of the respective successors and permitted assigns of the Parties.

21.0 Consent

- 21.1 Where consent, approval, or mutual agreement is required of a Party, it will not be unreasonably withheld or delayed.

22.0 Expenses

- 22.1 Except as specifically set out in this Agreement, each party will be solely responsible for its own expenses involved in all activities related to the subject of this Agreement.

23.0 Headings

- 23.1 The headings in this Agreement are inserted for convenience and identification only and will not be considered in the interpretation of this Agreement.

24.0 Relationship of Parties

- 24.1 This Agreement will not establish, be interpreted as establishing, or be used by either Party to establish or to represent their relationship as any form of agency, partnership or joint venture. Neither Party will have any authority to bind the other Party, nor to act as an agent for the other Party unless written authority, separate from this Agreement, is provided. Nothing in the Agreement will be construed as providing for the sharing of profits or losses arising out of the efforts of either or both of the Parties. Nothing herein will be construed as making either Party responsible or liable for the obligations and undertakings of the other Party.

25.0 Conflict of Interest

- 25.1 The Parties represent that no employee or agent of either Party has been or will be employed, retained, paid a fee, or otherwise received or will receive any personal compensation or consideration from the other Party, or any of the other Party's employees or agents in connection with the arranging or negotiation of this Agreement or associated documents.

26.0 Multiple Counterparts

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

27.0 Third Party Beneficiaries

- 27.1 Except as may be specifically set forth in this Agreement, this Agreement does not provide and will not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other privilege.

28.0 Regulatory Approval

- 28.1 Each Party agrees to cooperate with the other Party and with any regulatory agency to obtain regulatory approval. During the term of this Agreement, each Party agrees to continue to cooperate with the other Party and any regulatory agency so that the benefits of this Agreement may be achieved.
- 28.2 Upon execution of this Agreement, it shall be filed with the appropriate state regulatory agency pursuant to the requirements of § 252 of the Act. If the state regulatory agency imposes any filing(s) or public interest notice(s) regarding the filing or approval of the Agreement, State Discount Telephone shall assume sole responsibility in making such filings or notices. All costs associated with the aforementioned filing(s) or notice(s) shall be borne by State Discount Telephone.

29.0 Trademarks and Trade Names

- 29.1 Each Party warrants that, to the best of its knowledge, the services provided under this Agreement do not or will not violate or infringe upon any patent, copyright, trademark, or trade secret rights of any other persons.
- 29.2 Except as specifically set out in this Agreement, nothing in this Agreement will grant, suggest, or imply any authority for one Party to use the name, trademarks, service marks, or trade names of the other for any purpose whatsoever, absent written consent of the other Party.

30.0 Regulatory Authority

- 30.1 Each Party will be responsible for obtaining and keeping in effect all Federal Communications Commission, state regulatory commission, franchise authority and other regulatory approvals that may be required in connection with the performance of its obligations under this Agreement. Each Party will reasonably cooperate with the other Party in obtaining and maintaining any required approvals necessary for fulfilling its obligations under this Agreement.

31.0 Reserved For Future Use

32.0 Verification Reviews

- 32.1 Subject to each Party's reasonable security requirements and except as may be otherwise specifically provided in this Agreement, either Party may audit the other Party's relevant books, records and other documents pertaining to services provided under this Agreement once in each Contract Year solely for the purpose of evaluating the accuracy of the other Party's billing and invoicing. The Parties may employ other persons or firms for this purpose. Such audit will take place at a time and place agreed on by the Parties no later than sixty (60) days after notice thereof.
- 32.2 The review will consist of an examination and verification of data involving records, systems, procedures and other information related to the services performed by either Party as related to settlement charges or payments made in connection with this Agreement as determined by either Party to be reasonably required. Each Party shall maintain reasonable records for a minimum of twenty-four (24) months and provide the other Party with reasonable access to such information as is necessary to determine amounts receivable or payable under this Agreement.
- 32.3 Adjustments, credits, or payments shall be made and any corrective action shall commence within thirty (30) days from the Requesting Party's receipt of the final audit report to compensate for any errors or omissions which are disclosed by such audit and are agreed to by the Parties. Audit findings may be applied retroactively for no more than twenty-four (24) months from the date the audit began. One and one-half percent (1 ½%) of the highest interest rate allowable by law for

commercial transactions shall be assessed and shall be computed by compounding monthly from the time of the overcharge, not to exceed twenty-four (24) months from the date the audit began, to the day of payment or credit. Any disputes concerning audit results will be resolved pursuant to the Dispute Resolution procedures described in § 9.0 of this Agreement.

- 32.4 Each Party will cooperate fully in any such audit, providing reasonable access to any and all appropriate employees and books, records and other documents reasonably necessary to assess the accuracy of the Party's bills.
- 32.5 Verification reviews will be limited in frequency to once per twelve (12) month period, with provision for staged reviews, as mutually agreed, so that all subject matters are not required to be reviewed at the same time. Verification reviews will be scheduled subject to the reasonable requirements and limitations of the audited Party and will be conducted in a manner that will not interfere with the audited Party's business operations.
- 32.6 The Party requesting a verification review shall fully bear its costs associated with conducting a review. The Party being reviewed will provide access to required information, as outlined in this Section, at no charge to the reviewing Party. Should the reviewing Party request information or assistance beyond that reasonably required to conduct such a review, the Party being reviewed may, at its option, decline to comply with such request or may bill actual costs incurred in complying subsequent to the concurrence of the reviewing Party.
- 32.7 For purposes of conducting an audit pursuant to this Agreement, the Parties may employ other persons or firms for this purpose (so long as said Parties are bound by this Agreement). The Parties will bear their own reasonable expenses associated with this inspection. Subsequent audits will be scheduled when and if cause is shown.
- 32.8 Information obtained or received by a Party in conducting the inspections described in § 32.0 shall be subject to the confidentiality provisions of § 6.0 of this Agreement.

33.0 Complete Terms

- 33.1 This Agreement sets forth the entire understanding and supersedes all 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.

34.0 Cooperation on Preventing End User Fraud

- 34.1 The Parties agree to cooperate with one another to investigate, minimize, and take corrective action in cases of fraud. The Parties' fraud minimization procedures are to be cost-effective and implemented so as not to unduly burden or harm one Party as compared to the other.
- 34.2 In cases of suspected fraudulent activity by an end user, at a minimum, the cooperation referenced in the above paragraph will include providing to the other Party, upon request, information concerning end users who terminate services to that Party without paying all outstanding charges. The Party seeking such information is responsible for securing the end user's permission to obtain such information.

35.0 Notice of Network Changes

- 35.1 The Parties agree to comply with §§ 51.325 through 51.335 of Title 47 of the Code of Federal Regulations as may be amended from time to time regarding notifications, network changes, upgrades, and/or modifications.
- 35.2 Nothing in this Agreement is not intended to limit either Party's ability to upgrade or modify its network, including without limitation, the incorporation of new equipment, new software or otherwise so long as such upgrades are not inconsistent with the Parties' obligations under the terms of this Agreement.

36.0 Reserved for Future Use

37.0 Responsibility of Each Party

- 37.1 Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of its employees assisting in the performance of such obligations. Each Party will be solely responsible for all matters relating to payment of such employees, including compliance with social security taxes, withholding taxes and all other regulations governing such matters. Each party will be solely responsible for proper handling, storage, transport and disposal at its own expense of all (i) substances or materials that it or its contractors or agents bring to, create or assume control over at work locations or, (ii) waste resulting therefrom or otherwise generated in connection with its or its contractors' or agents' activities at the work locations. Subject to the limitations on liability and except as otherwise provided in this Agreement, each Party will be responsible for (i) its own acts and performance of all obligations imposed by applicable law in connection with its activities, legal status and property, real or personal and, (ii) the acts of its own affiliates, employees, agents and contractors during the performance of the Party's obligations hereunder.

38.0 Reserved for Future Use

39.0 Governmental Compliance

- 39.1 The Parties agree that each will comply at its own expense with all applicable laws that relate to its obligations under or activities in connection with this Agreement.
- 39.2 The Parties agree to indemnify, defend, (at the other Party's request) and save harmless the other Party, each of its officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties, and expenses (including reasonable attorneys' fees) that arise out of or result from i) its failure or the failure of its contractors or agents to so comply or ii) any activity, duty or status of it or its contractors or agents that triggers any legal obligation to investigate or remediate environmental contamination.

40.0 Responsibility for Environmental Contamination

- 40.1 State Discount Telephone will in no event be liable to ALLTEL for any costs whatsoever resulting from the presence or release of any environmental hazard that State Discount Telephone did not introduce to the affected work location. ALLTEL will indemnify, defend (at State Discount Telephone's request) and hold harmless State Discount Telephone, each of its officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorneys' fees) that arise out of or result from (i) any environmental hazard that ALLTEL, its contractors or agents introduce to the work locations or

(ii) the presence or release of any environmental hazard for which ALLTEL is responsible under applicable law.

- 40.2 ALLTEL will in no event be liable to State Discount Telephone for any costs whatsoever resulting from the presence or release of any environmental hazard that ALLTEL did not introduce to the affected work location. State Discount Telephone will indemnify, defend (at ALLTEL's request) and hold harmless ALLTEL, each of its officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorneys' fees) that arise out of or result from i) any environmental hazard that State Discount Telephone, its contractors or agents introduce to the work locations or ii) the presence or release of any environmental hazard for which State Discount Telephone is responsible under applicable law.

41.0 Subcontracting

- 41.1 If a party through a subcontractor performs any obligation under this Agreement, such party will remain fully responsible for the performance of this Agreement in accordance with its terms, including any obligations either party performs through subcontractors, and each party will be solely responsible for payments due the party's subcontractors. No contract, subcontract or other Agreement entered into by either Party with any third party in connection with the provision of services hereunder will provide for any indemnity, guarantee or assumption of liability by, or other obligation of, the other Party to this Agreement with respect to such arrangement, except as consented to in writing by the other Party. No subcontractor will be deemed a third party beneficiary for any purposes under this Agreement. Any subcontractor who gains access to Confidential Information covered by this Agreement will be required by the subcontracting Party to protect such Confidential Information to the same extent the subcontracting Party is required to protect the same under the terms of this Agreement.

42.0 Referenced Documents

- 42.1 Whenever any provision of this Agreement refers to a technical reference, technical publication, any publication of telecommunications industry administrative or technical standards, ALLTEL handbooks or manuals, or any other document specifically incorporated into this Agreement, it will be deemed to be a reference to the most recent version or edition (including any amendments, supplements, addenda, or successors) of each document that is in effect, and will include the most recent version or edition (including any amendments, supplements, addenda, or successors) of each document incorporated by reference in such a technical reference, technical publication, or publication of industry standards. However, if such reference material is substantially altered in a more recent version to significantly change the obligations of State Discount Telephone as of the effective date of this Agreement and the Parties are not in agreement concerning such modifications, the Parties agree to negotiate in good faith to determine how such changes will impact performance of the Parties under this Agreement, if at all. Until such time as the Parties agree, the provisions of the last accepted and unchallenged version will remain in force.

43.0 Severability

- 43.1 If any term, condition or provision of this Agreement is held to be invalid or unenforceable for any reason, such invalidity or unenforceability will not invalidate the entire Agreement, unless such construction would be unreasonable. The Agreement will be construed as if it did not contain the invalid or unenforceable provision or provisions, and the rights and obligations of each party will be construed and enforced accordingly; provided, however, that in the event such invalid or unenforceable provision or provisions are essential elements of this Agreement and substantially impair the rights or obligations of either Party, the Parties will promptly negotiate a replacement provision or provisions. If impasse is reached, the Parties will resolve said impasse under the dispute resolution procedures set forth in § 9.5.2.

44.0 Survival of Obligations

- 44.1 Any liabilities or obligations of a Party for acts or omissions prior to the cancellation or termination of this Agreement, any obligation of a Party under the provisions regarding indemnification, Confidential Information, limitations on liability, and any other provisions of this Agreement which, by their terms, are contemplated to survive (or to be performed after) termination of this Agreement, will survive cancellation or termination thereof.

45.0 Governing Law

- 45.1 This Agreement shall be governed by and construed in accordance with the Act and the FCC's Rules and Regulations, except insofar as state law may control any aspect of this Agreement, in which case the domestic laws of the state where the interconnection service is provided, without regard to its conflicts of laws principles, shall govern.

46.0 Other Obligations of State Discount Telephone

- 46.1 For the purposes of establishing service and providing efficient and consolidated billing to State Discount Telephone, State Discount Telephone is required to provide ALLTEL its authorized and nationally recognized Operating Company Number (OCN).
- 46.2 State Discount Telephone shall use ALLTEL's electronic operations support system access platform to submit orders and requests for maintenance and repair of services, and to engage in other pre-ordering , ordering, provisioning, maintenance and repair transactions. If ALLTEL has not deployed an electronic capability, State Discount Telephone shall use such other processes as ALLTEL has made available for performing such transaction (including, but not limited, to submission of orders by telephonic facsimile transmission and placing trouble reports by voice telephone transmission).

47.0 Customer Inquiries

- 47.1 Each Party will refer all questions regarding the other Party's services or products directly to the other Party at a telephone number specified by that Party.
- 47.2 Each Party will ensure that all of their representatives who receive inquiries regarding the other Party's services or products: (i) provide the numbers described in § 47.1; and (ii) do not in any way disparage or discriminate against the other Party or its services or products.

48.0 Disclaimer of Warranties

- 48.1 **EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HEREIN, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR INTENDED OR PARTICULAR PURPOSE WITH RESPECT TO SERVICES PROVIDED HEREUNDER. ADDITIONALLY, NEITHER PARTY ASSUMES ANY RESPONSIBILITY WITH REGARD TO THE CORRECTNESS OF DATA OR INFORMATION SUPPLIED BY THE OTHER PARTY WHEN THIS DATA OR INFORMATION IS ACCESSED AND USED BY A THIRD PARTY.**

49.0 Reserved for Future Use

50.0 Reserved for Future Use

51.0 Reserved for Future Use

52.0 Reserved for Future Use

53.0 Reserved for Future Use

54.0 Definitions and Acronyms

54.1 Definitions

For purposes of this Agreement, certain terms have been defined in Attachment 20: Definitions and elsewhere in this Agreement to encompass meanings that may differ from, or be in addition to, the normal connotation of the defined word. Unless the context clearly indicates otherwise, any term defined or used in the singular will include the plural. The words "will" and "shall" are used interchangeably throughout this Agreement and the use of either connotes a mandatory requirement. The use of one or the other will not mean a different degree of right or obligation for either Party. A defined word intended to convey its special meaning is capitalized when used.

54.2 Acronyms

Other terms that are capitalized and not defined in this Agreement will have the meaning in the Act. For convenience of reference only, Attachment 21: Acronyms provides a list of acronyms used throughout this Agreement.

55.0 Reserved For Future Use

56.0 Reserved For Future Use

57.0 Reserved For Future Use

58.0 Certification Requirements

58.1 State Discount Telephone warrants that it has obtained and will maintain all necessary jurisdictional certification(s) required in those jurisdictions in which State Discount Telephone has ordered services pursuant to this Agreement. Upon request State Discount Telephone shall provide proof of certification to ALLTEL.

59.0 Other Requirements and Attachments

59.1 This Agreement incorporates a number of listed Attachments, which, together with their associated Appendices, Exhibits, and Addenda, constitute the entire Agreement between the Parties.

59.1.1 Each Party agrees that if at anytime a discrepancy arises between the General Terms and Conditions and one of the Attachments, the Attachments will control.

- 59.2 Appended to this Agreement and incorporated herein are the Attachments listed below. To the extent that any definitions, terms or conditions in any given Attachment differ from those contained in the main body of this Agreement, those definitions, terms or conditions will supersede those contained in the main body of this Agreement, but only in regard to the services or activities listed in that particular Attachment. In particular, if an Attachment contains a term length that differs from the term length in the main body of this Agreement, the term length of that Attachment will control the length of time that services or activities are to occur under the Attachment, but will not affect the term length of other attachments.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION, WHICH MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, the Parties hereto have caused this Attachment to be executed as of this ____ day of _____, 2002.

State Discount Telephone, LLC

Kentucky ALLTEL, Inc.

Print Name

Alfred W. Busbee

Print Name

Sign Name: Date

Sign Name: Date

Position/Title
State Discount Telephone, LLC

Staff Manager – Access & Interconnection Services

Position/Title
Kentucky ALLTEL, Inc.

ATTACHMENT 1: RESERVED FOR FUTURE USE

ATTACHMENT 2: RESALE

All services made available to State Discount Telephone by ALLTEL for resale by State Discount Telephone pursuant to the Agreement (Resale Services) will be subject to the terms and conditions set forth in the Agreement and in this Attachment 2: Resale.

1.0 General Provisions

- 1.1 Resale Services will be made available to State Discount Telephone by ALLTEL.
- 1.2 The applicable rules, regulations and rates in the ALLTEL Local Exchange Tariff shall be applicable to Resale Services and to the extent of conflict herewith this Agreement shall control.
- 1.3 State Discount Telephone will be the customer of record for all services purchased from ALLTEL, pursuant to this Agreement. Except as specified herein, ALLTEL will take service orders from, bill and collect payment from State Discount Telephone for all services purchased pursuant to this Agreement.
- 1.4 State Discount Telephone will be ALLTEL's single point of contact for all services purchased pursuant to this Agreement.
- 1.5 State Discount Telephone may resell ALLTEL services only within the ALLTEL local service area as specified in the appropriate ALLTEL tariff.
- 1.6 Except where otherwise explicitly provided in the ALLTEL Local Exchange Tariff, State Discount Telephone shall not permit the sharing of a service by multiple end users or the aggregation of traffic from multiple end users onto a single service.
- 1.7 State Discount Telephone shall resell telecommunications services only to the same class of customers to which ALLTEL sells the services; e.g. residential service may not be resold to business customers.
- 1.8 State Discount Telephone shall not use a resold service to avoid the rates, terms and conditions of ALLTEL's Local Exchange Tariff, as applicable.
- 1.9 If ALLTEL at its sole discretion provides non-regulated services to State Discount Telephone for resale, said services shall be resold to State Discount Telephone according to terms and conditions established by ALLTEL.
- 1.10 State Discount Telephone shall not use resold local exchange telephone service to provide access services to Interexchange Carriers (IXCs), wireless carriers, competitive access providers (CAPs), or other telecommunication service providers.
- 1.11 Subject to the availability of facilities, ALLTEL shall provide Resale Services to State Discount Telephone pursuant to this Agreement.
- 1.12 State Discount Telephone has no right to the telephone number or any other call number designation associated with services furnished by ALLTEL, and no right to the continuance of service through any particular central office or number. ALLTEL reserves the right to change numbers or the central office designation associated with such numbers, or both, whenever ALLTEL deems it necessary to do so in the conduct of its business.
- 1.13 Service is furnished to State Discount Telephone on the condition that it will not be used for any unlawful purpose.
- 1.14 Service will be discontinued if any law enforcement agency advises that the service is being used in violation of the law.

- 1.15 ALLTEL can refuse service when it has grounds to believe that service will be used in violation of the law.
- 1.16 ALLTEL accepts no responsibility for any unlawful act committed by State Discount Telephone or its end users as part of providing service to State Discount Telephone for purposes of resale or otherwise.
- 1.17 ALLTEL is authorized, but not required to cooperate with law enforcement agencies with respect to their investigation of any alleged unlawful activity of State Discount Telephone or its end users. Law enforcement agency subpoenas and court orders regarding the end users of State Discount Telephone will be directed to State Discount Telephone. ALLTEL shall be entitled to bill State Discount Telephone for any cost associated with complying with any requests by law enforcement agencies regarding State Discount Telephone or State Discount Telephone's end users.
- 1.18 White Page Directory Services shall be provided as set forth in Attachment 9 - White Page Directories.
- 1.19 Interexchange carried traffic (e.g. sent-paid, information services and alternate operator services messages) received by ALLTEL with respect to State Discount Telephone end-user accounts will be returned to the IXC as unbillable, and will not be passed on to State Discount Telephone for billing. An unbillable code returned with those messages to the carrier will indicate that the messages originated from a resold account and will not be billed by ALLTEL.
- 1.20 All necessary information with respect to an end-user, including telephone number, requested service dates, and products and services desired will be provided to ALLTEL by State Discount Telephone in accordance with the practices and procedures established by ALLTEL.
- 1.21 Except as otherwise provided in this Agreement, if ALLTEL notifies State Discount Telephone in writing of a violation of a provision of this Agreement, State Discount Telephone shall have thirty (30) days from notice to correct the violation and notify ALLTEL in writing that the violation has been corrected.
- 1.22 ALLTEL shall continue to have the right to serve and market directly to any end user within ALLTEL's service area, including but not limited to State Discount Telephone's end users. ALLTEL shall have the right to continue to directly market its own telecommunications products and services, and in doing so may establish independent relationships with State Discount Telephone's end users.
- 1.23 State Discount Telephone shall not interfere with the right of any person or entity to obtain service directly from ALLTEL.
- 1.24 The circuits, facilities or equipment provided by any person or entity other than ALLTEL and use, operation, maintenance or installation thereof shall not:
 - 1.24.1 interfere with or impair service over any facilities of ALLTEL, its affiliates, or its connecting and concurring carriers involved in its service;
 - 1.24.2 cause damage to plant;
 - 1.24.3 impair the privacy of any communications; or
 - 1.24.4 create hazards to any employees or the public.
- 1.25 State Discount Telephone assumes the responsibility of notifying ALLTEL regarding any less than standard operations with respect to services provided by State Discount Telephone.
- 1.26 Facilities and/or equipment utilized by ALLTEL to provide service to State Discount Telephone shall remain the property of ALLTEL.

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- 1.27 ALLTEL will provide customer record information to State Discount Telephone, only after State Discount Telephone has provided ALLTEL the appropriate Letter(s) of Authorization (LOA) from the relevant customer. ALLTEL may provide customer record information to State Discount Telephone via US mail or fax.
 - 1.28 All costs incurred by ALLTEL for providing services to State Discount Telephone that are not covered in the ALLTEL tariffs shall be recovered from State Discount Telephone for utilizing such services.
 - 1.29 The Parties agree that this Agreement shall not be proffered by either Party in another jurisdiction or proceeding as evidence of any concession or as a waiver of any position taken by the other Party in that jurisdiction or for any other purpose.
 - 1.30 The rates applicable to State Discount Telephone for purchase of services from ALLTEL for resale shall be the retail rate for the telecommunications services as provided in ALLTEL's applicable Local Exchange Tariff, less a fifteen point nine five percent (15.95%) discount.

2.0 General Obligations

- 2.1 ALLTEL shall attempt to implement State Discount Telephone service orders within the same time intervals that ALLTEL uses to implement service orders for similar services for its own end users.
- 2.2 The appropriate ALLTEL trouble reporting centers shall accept State Discount Telephone trouble reports with respect to State Discount Telephone end users services 24 hours a day, 7 days a week. State Discount Telephone will be assigned a customer contact center when initial service agreements are made. State Discount Telephone end users calling ALLTEL will be referred to State Discount Telephone at the number provided by State Discount Telephone.
- 2.3 If ALLTEL determines that an unauthorized change in local service by a local service provider has occurred, ALLTEL will reestablish service with the appropriate local service provider, and will assess against the local service provider an unauthorized change charge similar to that described in the ALLTEL F.C.C. Tariff No. 1. Appropriate nonrecurring charges, as set forth in the Local Exchange Tariff as applicable, will also be assessed to the local service provider.
- 2.4 To the extent allowable by law, State Discount Telephone shall be responsible for Primary Interexchange Carrier (PIC) change charges associated with such local exchange line. These charges will be assessed regardless if the State Discount Telephone or the end user made the change. State Discount Telephone shall pay for PIC changes at the tariffed rate.
- 2.5 State Discount Telephone shall resell the services provided herein only in those service areas in which such Resale Services or any feature or capability thereof are offered at retail by ALLTEL as the incumbent local exchange carrier to its end users.
- 2.6 State Discount Telephone is solely responsible for the payment of charges for all service furnished under this Agreement, including, but not limited to, calls originated or accepted at State Discount Telephone location and its end users' service locations, with the exception of any retail services provided directly by ALLTEL to the end user which ALLTEL is responsible for billing.
- 2.7 ALLTEL shall not be responsible for the manner in which the use of Resale Services or the associated charges are billed to others by State Discount Telephone. All applicable rates and charges for such services will be billed to and shall be the responsibility of State Discount Telephone, with the exception of other retail services provided directly to the end user by ALLTEL as described in paragraph 2.8 above.
- 2.8 If State Discount Telephone does not wish to be responsible for toll, collect, third number billed, 900 and 976 calls, State Discount Telephone must order blocking services as outlined in the ALLTEL Local Exchange Tariff and pay any applicable charges.

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- 2.9 State Discount Telephone shall be responsible for providing to its end users, and to ALLTEL a telephone number or numbers that State Discount Telephone end users can use to contact State Discount Telephone in the event of service or repair requests. In the event that State Discount Telephone end users contact ALLTEL with regard to such requests, ALLTEL shall provide the end user State Discount Telephone's contact number and inform the end user to contact State Discount Telephone.

3.0 Establishment of Service

- 3.1 Upon receiving the applicable certification from the appropriate state regulatory agency, State Discount Telephone will provide ALLTEL with the necessary documentation to enable ALLTEL to establish a master account for State Discount Telephone. Such documentation shall include, but is not limited to, 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, ALLTEL will begin taking orders from State Discount Telephone for Resale Services.
- 3.2 Service orders will be submitted in the format designated in ALLTEL handbooks and manuals.
- 3.3 When ALLTEL receives notification from State Discount Telephone that a current ALLTEL customer will be subscribing to State Discount Telephone's services, standard service order intervals for the appropriate class of service will apply.
- 3.4 Except as required by applicable laws or rules, ALLTEL will not require end user confirmation prior to establishing service for State Discount Telephone's end user customers. State Discount Telephone must, however, be able to demonstrate end user authorization upon request.
- 3.5 State Discount Telephone will be the single point of contact with ALLTEL for all subsequent ordering activity resulting in additions or changes to Resale Services, except that ALLTEL will accept a request directly from the end user for conversion of the end user's service from State Discount Telephone to ALLTEL, or will accept a request from another local service provider for conversion of the end user's service from State Discount Telephone to the other local service provider.
- 3.6 ALLTEL will provide State Discount Telephone at their request per customer, blocking of calls (e.g., toll, 900, international calls, and third party or collect calls) by line or trunk on an individual switching element basis, to the extent that ALLTEL provides such blocking capabilities to its customers and to the extent required by law.
- 3.7 When ordering Resale Services via a service order, State Discount Telephone may where available, order from ALLTEL separate InterLATA and IntraLATA service providers (i.e., two PICs) on a line or trunk basis where IntraLATA presubscription has been introduced. ALLTEL will accept PIC change orders for IntraLATA toll and long distance services through the ALLTEL service provisioning process.
- 3.8 ALLTEL will provide order format specifications to State Discount Telephone with respect to all services, features, and functions available and with respect to ancillary data required by ALLTEL to provision these services through ALLTEL manuals and handbooks.
- 3.9 ALLTEL, at its discretion may require State Discount Telephone to provide ALLTEL a security deposit to ensure payment of State Discount Telephone's account.
- 3.9.1 Such security deposit shall be an irrevocable Letter of Credit, bond cash deposit or other form of security acceptable to ALLTEL. 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.

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- 3.9.2 If a security deposit is required, such security deposit shall be made prior to the activation of service.
 - 3.9.3 The fact that a security deposit has been provided in no way relieves State Discount Telephone from complying with ALLTEL'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 ALLTEL providing for the discontinuance of service for non-payment of any sums due ALLTEL.
 - 3.9.4 ALLTEL reserves the right to increase the security deposit requirements when, in its sole judgment, circumstances so warrant and/or gross monthly billing has increased beyond the level initially used to determine the security deposit.
 - 3.9.5 In the event that State Discount Telephone is in breach of this Agreement, service to State Discount Telephone may be terminated by ALLTEL; any security deposits applied to its account and ALLTEL may pursue any other remedies available at law or equity.
 - 3.9.6 In the case of a cash deposit, interest at a rate as set forth in the appropriate ALLTEL tariff shall be paid to State Discount Telephone during the possession of the security deposit by ALLTEL. Interest on a security deposit shall accrue annually and, if requested, shall be annually credited to State Discount Telephone by the accrual date.

4.0 Maintenance of Services

- 4.1 ALLTEL's facilities and equipment provided by ALLTEL shall be maintained by ALLTEL.
- 4.2 ALLTEL will attempt to provide maintenance for all Resale Services ordered under this Agreement at levels equal to the maintenance provided by ALLTEL in serving its end user customers. ALLTEL technicians will attempt to provide repair service on Resale Services that is at least equal in quality to that provided to ALLTEL customers; trouble calls from State Discount Telephone will receive response time and priorities that are at least equal to that of ALLTEL customers.
- 4.3 State Discount Telephone or its end users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by ALLTEL, other than by connection or disconnection to any interface means used, without the written consent of ALLTEL.
- 4.4 State Discount Telephone shall promptly notify ALLTEL of any situations that arise that may result in a service problem.
- 4.5 State Discount Telephone will be ALLTEL's single point of contact for all repair calls on behalf of State Discount Telephone's end users with respect to Resale Services. All misdirected repair calls to ALLTEL from State Discount Telephone customers will be given a recording (or live statement) directing them to call the number designated by State Discount Telephone. State Discount Telephone on a reciprocal basis will refer all misdirected repair calls that State Discount Telephone receives for ALLTEL customers to ALLTEL.
- 4.6 State Discount Telephone will contact the appropriate ALLTEL repair center in accordance with procedures established by ALLTEL. State Discount Telephone will refer repair calls to ALLTEL by telephone. ALLTEL will attempt to answer its telephone and begin taking information from State Discount Telephone at the same level of service as provided to ALLTEL's customers.
- 4.7 For all repair requests, State Discount Telephone shall adhere to ALLTEL's prescreening guidelines prior to referring the trouble to ALLTEL.
- 4.8 For purposes of this Section, Resale Services is considered restored or a trouble resolved when the quality of Resale Services is equal to that provided before the outage or the trouble occurred.

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- 4.9 ALLTEL will bill State Discount Telephone for handling troubles that are found not to be in ALLTEL's network pursuant to its standard time and material charges. The standard time and material charges will be no more than what ALLTEL charges to its retail customers for the same services.
- 4.10 ALLTEL will provide State Discount Telephone with written escalation procedures for maintenance resolution to be followed if, in State Discount Telephone's judgment, any individual trouble ticket or tickets are not resolved in a timely manner. The escalation procedures to be provided thereunder shall include names and telephone numbers of ALLTEL management personnel who are responsible for maintenance issues.
- 4.11 ALLTEL Maintenance of Service Charges, when applicable, will be billed by ALLTEL to State Discount Telephone, and not to State Discount Telephone's end-user customers.
- 4.12 Dispatching of ALLTEL technicians to State Discount Telephone Customer premises shall be accomplished by ALLTEL pursuant to a request received from State Discount Telephone.
- 4.13 When an ALLTEL employee visits the premises of a State Discount Telephone local customer, the ALLTEL employee will inform the customer or occupant, directly or indirectly, that he or she is there acting on behalf of "their local service provider". Materials left at the customer premises (e.g., a door hanger notifying the customer of the service visit) must also inform the customer that ALLTEL was on their premises acting on behalf of "their local service provider".
- 4.14 If trouble cannot be cleared without access to State Discount Telephone local customer's premises and the customer is not at home, the ALLTEL technician will leave at the customer's premises a non-branded "no access" card requesting the customer to call "their local service provider" for rescheduling of repair.
- 4.15 ALLTEL reserves the right, but is not required, to contact State Discount Telephone's customers for any lawful purpose.
- 4.16 ALLTEL will perform testing (including trouble shooting to isolate any problems) of Resale Services purchased by State Discount Telephone in order to identify any new circuit failure performance problems.

5.0 Discontinuance of Service

5.1 End User Disconnect Procedures

- 5.1.1 At the request of State Discount Telephone, ALLTEL will disconnect a State Discount Telephone end user customer.
- 5.1.2 All requests by State Discount Telephone for denial or disconnection of an end user for nonpayment must be provided to ALLTEL in writing in the manner and format prescribed by ALLTEL.
- 5.1.3 State Discount Telephone will be solely responsible for notifying the end user of the proposed disconnection of service.
- 5.1.4 Upon restoration of the end user's service, restoral charges will apply and will be the responsibility of State Discount Telephone.
- 5.1.5 ALLTEL will continue to process calls made to ALLTEL for annoyance calls and will advise State Discount Telephone when it is determined that annoyance calls are originated from one of their end user's locations. ALLTEL shall be indemnified, defended and held harmless by State Discount Telephone against any claim, loss or damage arising from providing this information to State Discount Telephone. It is the responsibility of State Discount Telephone to take the corrective action necessary with its customers who make annoying calls. Failure to do so will result in ALLTEL's disconnecting the end user's service.

5.2 State Discount Telephone Disconnect Procedures

- 5.2.1 ALLTEL reserves the right to suspend or terminate service for nonpayment or in the event of prohibited, unlawful or improper use of facilities or service, abuse of facilities, or any other violation or noncompliance by State Discount Telephone of the rules and regulations of the ALLTEL Local Exchange Tariff.
- 5.2.2 Disputes hereunder shall be resolved in accordance with the procedures identified in the General Terms and Conditions, § 9.0 Dispute Resolution. Failure of State Discount Telephone to pay charges owed to ALLTEL shall be grounds for termination under this Agreement.
- 5.2.3 If payment is not received twenty (20) days from the next bill date (i.e. same date in the following month as the bill date), ALLTEL may provide written notice to State Discount Telephone, 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 (15th) day following the date of the notice. If ALLTEL does not refuse additional applications for service on the date specified in the notice, and State Discount Telephone's noncompliance continues, nothing contained herein shall preclude ALLTEL's right to refuse additional applications for service without further notice.
- 5.2.4 If payment is not received, and arrangements are not made by the bill date in the second consecutive month, State Discount Telephone's account shall be considered in default, and will be subject to denial or disconnection, or both.
- 5.2.5 If State Discount Telephone fails to comply with the provisions of this Agreement, including any payments to be made by the dates and times herein specified, ALLTEL may, on thirty (30) days written notice to State Discount Telephone's designated representative discontinue the provision of existing services to State Discount Telephone at any time thereafter. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If ALLTEL does not discontinue the provision of the services involved on the date specified in the thirty (30) days notice, and State Discount Telephone's noncompliance continues, nothing contained herein shall preclude ALLTEL's right to discontinue the provisions of the services to State Discount Telephone without further notice.
- 5.2.6 If payment is not received or arrangements, acceptable to ALLTEL, made for payment by the date given in the written notification, ALLTEL shall have the right to disconnect State Discount Telephone. ALLTEL reserves the right to advise State Discount Telephone's end users of State Discount Telephone's default after the date given in the notification for disconnection.
- 5.2.7 After disconnect procedures have begun, ALLTEL shall not accept service orders from State Discount Telephone until all unpaid charges are paid in full in immediately available funds. ALLTEL shall have the right to require a deposit equal to two month's charges (based on the highest previous month of service from ALLTEL) prior to resuming service to State Discount Telephone after disconnect for nonpayment has occurred.

6.0 Billing and Payments

- 6.1 Pursuant to this Agreement, ALLTEL shall bill State Discount Telephone those charges, which State Discount Telephone incurs as a result of State Discount Telephone purchasing Resale Services from ALLTEL.
- 6.2 ALLTEL shall provide State Discount Telephone a monthly bill including all charges incurred by and credits and/or adjustments due to State Discount Telephone for the Resale Services ordered,

established, utilized, discontinued or performed pursuant to this Agreement. Each bill provided by ALLTEL to State Discount Telephone will include:

- 6.2.1 all non-usage sensitive charges incurred for the period beginning with the day after the current bill date and extending to, and including, the next bill date;
 - 6.2.2 any known unbilled non-usage sensitive charges for prior periods;
 - 6.2.3 unbilled usage sensitive charges for the period beginning with the last bill date and extending up to, but not including, the current bill date; and
 - 6.2.4 any known unbilled usage sensitive charges for prior periods. ALLTEL will also bill all charges, including but not limited to 911 and E911 charges, telecommunications relay charges, and franchise fees, to State Discount Telephone.
- 6.3 Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due ALLTEL from the Interexchange Carrier.
- 6.4 All end user common line (EUCL) charges, subscriber line charges (SLC), or other similar charges will continue to apply for each local exchange line resold under this Agreement. All applicable federal and state rules, tariffs and regulations associated with such charges shall be applicable, as may be amended from time to time.
- 6.5 Each Party will provide the other Party at no charge a contact person for the handling of any Resale Billing questions or problems.
- 6.6 ALLTEL will render bills each month on established bill days for each of State Discount Telephone's accounts.
- 6.7 If State Discount Telephone requests an additional copy(ies) of a bill, State Discount Telephone will pay ALLTEL a reasonable fee per additional bill copy, unless such copy(ies) was requested due to errors, omissions, or corrections, or the failure of the original transmission to comply with the specifications set forth in this Agreement.
- 6.8 Payment of all charges will be the responsibility of State Discount Telephone. State Discount Telephone shall make payment to ALLTEL for all Resale Services billed. ALLTEL is not responsible for payments not received by State Discount Telephone from State Discount Telephone's customer. ALLTEL will not become involved in billing disputes that arise between State Discount Telephone and its customer. Payments made to ALLTEL, as payment on account, will be credited to an accounts receivable master account and not to an end user's account.
- 6.9 The payment will be due twenty (20) days from 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 ALLTEL.

7.0 Customer Usage Data

- 7.1 Usage Data with respect to end users will be provided by ALLTEL to State Discount Telephone when the end user has been transferred to State Discount Telephone, and State Discount Telephone purchases Resale Services from ALLTEL.
- 7.2 ALLTEL will provide usage data for State Discount Telephone customers using ALLTEL-provided Resale Services. Usage Data includes, but is not limited to, the following categories of information:
 - 7.2.1 All record types that are currently processed for ALLTEL customers.
 - 7.2.2 Use of CLASS/ Custom Features;

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- 7.2.3 Station level detail for ALLTEL - provided CENTREX families of services; and
- 7.2.4 Complete call detail and complete timing information for Resale Services;
- 7.3 ALLTEL will provide Usage Data for completed calls only for service offerings that ALLTEL records for itself (e.g., Local Measured Services) and recordings performed on the behalf of ALLTEL for operator services and directory assistance.
- 7.4 ALLTEL will provide Usage Data to State Discount Telephone only for State Discount Telephone Customers. ALLTEL will not submit other carriers' local usage data as part of the State Discount Telephone Usage Data.
- 7.5 ALLTEL will provide Usage Data in EMI format.
- 7.6 ALLTEL will include the Working Telephone Number (WTN) of the call originator on each EMI call record.
- 7.7 End user customer usage records and station level detail records will be in packs in accordance with EMI guidelines.
- 7.8 ALLTEL will transmit formatted Usage Data to State Discount Telephone via CONNECT: Direct or as otherwise agreed to by the Parties. State Discount Telephone is responsible for the connection.
- 7.9 State Discount Telephone and ALLTEL will test and certify the CONNECT: Direct interface to ensure the accurate transmission of Usage Data. State Discount Telephone will pay to ALLTEL a per message charge for ALLTEL's transmission of usage data to State Discount Telephone.
- 7.10 ALLTEL will provide Usage Data to State Discount Telephone-daily (Monday through Friday) on a daily on a time schedule to be determined by the Parties. By mutual agreement of both Parties, this schedule can be amended with thirty (30) days written notice.
- 7.11 ALLTEL will establish a single point of contact to respond to State Discount Telephone call usage, data error, and record transmission inquiries.
- 7.12 ALLTEL will bill and State Discount Telephone will pay the applicable charges for Usage Data set forth in this Agreement. Billing and payment will be in accordance with the applicable terms and conditions set forth in this Agreement.

ATTACHMENT 3: RESERVED FOR FUTURE USE

ATTACHMENT 4: RESERVED FOR FUTURE USE

ATTACHMENT 5: RESERVED FOR FUTURE USE

ATTACHMENT 6: RESERVED FOR FUTURE USE

ATTACHMENT 7: RESERVED FOR FUTURE USE

ATTACHMENT 8: RESERVED FOR FUTURE USE

ATTACHMENT 9: WHITE PAGES

This Attachment 9: White Pages sets forth terms and conditions with respect to the printing and distribution of White Pages directory in addition to the General Terms and Conditions.

1.0 Introduction

- 1.1 ALLTEL obtains the publication of White Pages directories (ALLTEL White Pages) for geographic areas in which State Discount Telephone may also provide local exchange telephone service, and State Discount Telephone wishes to include listings information for its customers in the appropriate ALLTEL White Pages directories.
- 1.2 ALLTEL will include State Discount Telephone's customer listings in the appropriate ALLTEL White Pages directory in accordance with § 2.0 Resale and § 3.0 Other, as specified in this Attachment. The Parties agree that § 2.0 Resale shall be applicable to customers which State Discount Telephone serves through a Resale Agreement, and § 3.0 Other relates to all other customers served by State Discount Telephone.
- 1.3 Any references in this Attachment to ALLTEL procedures, practices, requirements, or words of similar meaning, shall also be construed to include those of ALLTEL's contractors that produce directories on its behalf.

2.0 Service Provided - Resale

- 2.1 ALLTEL will include in appropriate White Pages directories the primary alphabetical listings of all State Discount Telephone customers (other than non-published or non-list Customers) located within the local directory area.
- 2.2 State Discount Telephone will furnish to ALLTEL subscriber listing information pertaining to State Discount Telephone customers located within the ALLTEL local directory area, along with such additional information as ALLTEL may require to prepare and print the alphabetical listings of said directory.
- 2.3 ALLTEL will include the listing information for State Discount Telephone's customers for Resale Services in ALLTEL's White Pages directory database in the same manner as it includes listing information for ALLTEL's end user customers.
- 2.4 ALLTEL will provide State Discount Telephone with format requirements and procedures for submitting directory listings and directory updates.
- 2.5 State Discount Telephone may purchase Enhanced White Pages listings for residential customers on a per listing basis, and will pay ALLTEL amounts attributable to such Enhanced Listings used by its customers.
- 2.6 State Discount Telephone's subscriber listings will be inter-filed (interspersed) with ALLTEL's and other local service provider's subscriber listings in the White Pages directory with no discernible differentiation in the listings to indicate to the reader that the listings are served by another local service provider.
- 2.7 ALLTEL will deliver White Pages directories to State Discount Telephone customers. The timing of such delivery and the determination of which White Pages directories will be delivered (by customer address, NPA/NXX or other criteria), and the number of White Pages directories to be provided per customer, will be on the same terms that ALLTEL delivers White Pages directories to its own end users.

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- 2.8 ALLTEL will distribute any subsequent directories in accordance with the same practices and procedures used by ALLTEL.
- 2.9 At its option, State Discount Telephone may purchase information pages (Customer Guide Pages) in the informational section of the ALLTEL White Pages directory covering the geographic area(s) it is serving. These pages will be in alphabetical order with other local service providers and will be no different in style, size, color and format than ALLTEL information pages. Sixty (60) days prior to the directory close date, State Discount Telephone will provide to ALLTEL the information page(s) in camera ready format. ALLTEL will have the right to approve or reject the format and content of such information page(s) and, with State Discount Telephone's agreement, ALLTEL may, but is not required to, revise the format and content of such information page(s).
- 2.10 ALLTEL will include State Discount Telephone specific information (i.e., business office, residence office, repair bureau, etc.) in the White Pages directory on an "index-type" information page, in alphabetical order along with other local service providers, at no charge. The space available to State Discount Telephone on such page will be 1/8th page in size. In order to have such information published, State Discount Telephone will provide ALLTEL, sixty (60) days prior to the directory close date, with its logo and information in the form of a camera ready copy, sized at 1/8th of a page. State Discount Telephone will be limited to a maximum of 1/8th of a page in any single edition of an ALLTEL White Pages directory.
- 2.11 The Parties shall cooperate so that Yellow Page advertisements purchased by customers who switch to State Discount Telephone as their local service provider (including customers utilizing State Discount Telephone-assigned telephone numbers and State Discount Telephone customers utilizing LNP) are provided in accordance with standard ALLTEL practices. Yellow Page services will be offered to State Discount Telephone's customers on the same basis that they are offered to ALLTEL's customers. Such services will be provided through ALLTEL's yellow pages affiliate, its agent or assignee.

3.0 Service Provided - Other

- 3.1 ALLTEL will include in appropriate White Pages directories the primary alphabetical listings of all State Discount Telephone end users located within the local directory scope.
- 3.2 State Discount Telephone will furnish to ALLTEL subscriber listing information pertaining to State Discount Telephone end users located within the local directory scope, along with such additional information as ALLTEL may require to prepare and print the alphabetical listings of said directory.
- 3.3 State Discount Telephone will provide its subscriber listing information to ALLTEL, in a manner and format prescribed by ALLTEL, via FAX.
- 3.4 ALLTEL will deliver White Pages directories to State Discount Telephone customers. The timing of delivery and the determination of which White Pages directories will be delivered (by customer address, NPA/NXX or other criteria), and the number of White Pages directories to be provided per customer, will be provided under the same terms that ALLTEL delivers White Pages directories to its own end users.
- 3.5 ALLTEL will distribute any subsequent directories in accordance with the same practices and procedures used by ALLTEL.
- 3.6 At its option, State Discount Telephone may purchase information pages (Customer Guide Pages) in the informational section of the ALLTEL White Pages directory covering the geographic area(s) it is serving. These pages will be in alphabetical order with other local service providers and will be no different in style, size, color and format than ALLTEL information pages. Sixty (60) days prior to the directory close date, State Discount Telephone will provide to ALLTEL the information page(s) in camera ready format. ALLTEL will have the right to approve or reject the format and content of such information page(s), and, with State Discount Telephone's agreement, ALLTEL may, but is not required to, revise the format and content of such information page(s).

- 3.7 ALLTEL will include State Discount Telephone specific information (i.e., business office, residence office, repair bureau, etc.) in the White Pages directory on an "index-type" information page, in alphabetical order along with other local service providers, at no charge. The space available to State Discount Telephone on such page will be 1/8th page in size. In order to have such information published, State Discount Telephone will provide ALLTEL with its logo and information in the form of a camera ready copy, sized at 1/8th of a page. State Discount Telephone will be limited to a maximum of 1/8th of a page in any single edition of an ALLTEL White Pages directory.
- 3.8 The Parties shall cooperate so that Yellow Page advertisements purchased by customers who switch to State Discount Telephone as their local service provider (including customers utilizing State Discount Telephone-assigned telephone numbers and State Discount Telephone customers utilizing LNP) are provided in accordance with standard ALLTEL practices. Yellow Page services will be offered to State Discount Telephone's customers on the same basis that they are offered to ALLTEL's customers. Such services will be provided through ALLTEL's yellow pages affiliate, its agent or assignee.

4.0 Limitation Of Liability And Indemnification

- 4.1 ALLTEL will not be liable to State Discount Telephone for any losses or damages arising out of errors, interruptions, defects, failures, delays, or malfunctions of the White Pages services, including any and all associated equipment and data processing systems, unless said losses or damages result from ALLTEL's gross negligence or willful or wanton or intentional misconduct. Any losses or damages for which ALLTEL is held liable under this Agreement to State Discount Telephone, shall in no event exceed the amount of the charges billed to State Discount Telephone for White Pages services with respect to the period beginning at the time notice of the error, interruption, defect, failure, or malfunction is received by ALLTEL to the time Service is restored.
- 4.2 State Discount Telephone agrees to defend, indemnify, and hold harmless ALLTEL from any and all losses, damages, or other liability that ALLTEL may incur as a result of claims, demands, wrongful death actions, or other claims by any Party that arise out of State Discount Telephone's end user customers' use of the White Pages services, or the negligence or wrongful act of State Discount Telephone except to the extent any such losses, damages or other liability solely from ALLTEL's gross negligence or willful misconduct. State Discount Telephone will defend ALLTEL against all customer claims just as if State Discount Telephone had provided such service to its customer with State Discount Telephone's own employees and will assert its contractual or tariff limitation of liability, if any, for the benefit of both ALLTEL and State Discount Telephone.
- 4.3 State Discount Telephone agrees to release, defend, indemnify, and hold harmless ALLTEL from any claims, demands, or suits with respect to any infringement or invasion of privacy or confidentiality of any person or persons caused or claimed to be caused, directly, or indirectly, by ALLTEL employees or equipment associated with provision of the White Pages services, except to the extent any such losses, damages or other liability is based on or results from ALLTEL's gross negligence or willful misconduct. This provision includes but is not limited to suits arising from disclosure of the telephone number, address, or name associated with the telephone called or the telephone used in connection with White Pages services.

5.0 Pricing

- 5.1 Prices for White Pages services are as contained on Exhibit I, attached hereto and incorporated herein.

6.0 Term

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- 6.1 Upon termination of this Interconnection Agreement, this Attachment will be null and void with respect to any issue of directories published thereafter.

EXHIBIT I: PRICE LIST

Price Per White Page listing: \$3.00

Price Per Single Sided Informational Page:

6x9

1 additional information page	\$475.00
2 additional information pages	\$750.00

9x11

1 additional information page	\$1,225.00
2 additional information pages	\$1,440.00

Price Per Book Copy Ordered after Initial Order: (See Below)

DIR		DIRECTORY	WHOLESALE	RETAIL	
ST	CODE	NAME	PRICE	PRICE	SUBCODE
KY	29886	Shepherdsville	12.55	18.83	110

ATTACHMENT 10: RESERVED FOR FUTURE USE

ATTACHMENT 11: RESERVED FOR FUTURE USE

ATTACHMENT 12: RESERVED FOR FUTURE USE

ATTACHMENT 13: RESERVED FOR FUTURE USE

ATTACHMENT 14: RESERVED FOR FUTURE USE

ATTACHMENT 15: RESERVED FOR FUTURE USE

ATTACHMENT 16: RESERVED FOR FUTURE USE

ATTACHMENT 17: RESERVED FOR FUTURE USE

ATTACHMENT 18: RESERVED FOR FUTURE USE

ATTACHMENT 19: RESERVED FOR FUTURE USE

ATTACHMENT 20: DEFINITIONS

Definitions of the terms used in this Agreement are listed below. The Parties agree that certain terms may be defined elsewhere in this Agreement, as well as terms not defined shall be construed in accordance with their customary meaning in the telecommunications industry as of the effective date of this Agreement.

“Act” means the Communications Act of 1934 (47 U.S.C. § 151 et seq.), as amended by the Telecommunications Act of 1996, as may be subsequently amended or, as from time to time interpreted in the duly authorized rules and regulations of the FCC or the Commission having authority to interpret the Act within its state of jurisdiction.

“ALLTEL” has the meaning set forth in the preamble.

“Ancillary Services” are services which support but are not required for interconnection of telecommunications networks between two or more parties, e.g., 911, DA, and Directory Services.

“As defined or described in the Act” means as specifically defined by the Act or required by the Act and as from time to time interpreted in the duly authorized rules and regulations of the FCC or the State Commission.

“Automated Message Accounting” or “AMA” means the Automated Message Accounting structure inherent in switch technology that initially records telecommunication message information. AMA format is contained in the Automated Message Accounting document, published by Bellcore as GR-1100-CORE which defines the industry standard for message recording.

“Billing Number” means the number to which charges for a call are billable.

“Calling Party Number” or “CPN” is a feature of signaling system 7 (“SS7”) protocol whereby the 10 digit number of the calling party is forwarded from the end office.

“CLASS (Custom Local Area Signaling Service) and Custom Features” means a grouping of optional enhancements to basic local exchange service that offers special call handling features to residential and single-line business customers (e.g., call waiting, call forwarding and automatic redial).

“Commission” or “PUC” or “PSC” means the state administrative agency to which the United States Congress or state legislature has delegated authority to regulate the operations of Local Exchange Carriers (“LECs”) as defined in the Act.

“Common Channel Signaling” or “CCS” means a special network, fully separate from the transmission path of the public switched network that digitally transmits call setup and network control data.

“Confidential Information” has the meaning set forth in § 6.0 of the General Terms and Conditions.

“Connecting Facilities” means dedicated facilities provided either under this Agreement or separate contract used to connect Carrier's network and ALLTEL's network for the purposes of interchanging traffic.

“Contract Year” means a twelve (12) month period during the term of the contract commencing on the Effective Date and each anniversary thereof.

“Conversation Time” means the time (in full second increments) that both Parties' equipment is used for a call, measured from the receipt of answer supervision to disconnect supervision.

“Customer” means, whether or not capitalized, any business, residential or governmental customer of services covered by the Agreement, and includes the term “End User”. More specific meanings of either of such terms are dependent upon the context in which they appear in the Agreement and the provisions of the Act.

“Customer Usage Data” means the local Telecommunications Services usage data of an LSP Customer, measured in minutes, sum-minutes increments, message units, or otherwise, that is recorded by ALLTEL and forwarded to LSP.

“Discloser” means that party to this Agreement which has disclosed Confidential Information to the other party.

“E911 Service” is a method of routing 911 calls to a PSAP that uses customer location data in the ALI/DMS to determine the PSAP to which a call should be routed.

“Effective Date” is the date indicated in the Preface on which the Agreement shall become effective.

“Electronic File Transfer” means any system/process, which utilizes an electronic format and protocol to send/receive data files.

“End Office” means a local ALLTEL switching point where ALLTEL end user customer station loops are terminated for purposes of interconnection to each other and to the network.

“End User” means, whether or not capitalized, any business, residential or governmental customer of services covered by the Agreement and includes the term “Customer”. More specific meanings of either of such terms are dependent upon the context in which they appear in the Agreement and the provisions of the Act.

“Enhanced White Pages Listings” means optional features available for residential White Pages Directory Listings (e.g., bold, italics, lines of distinction).

“Exchange” is the geographic territory delineated as an exchange area for ALLTEL by official commission boundary maps.

“Exchange Access” is defined in the Act.

“Exchange Message Interface” or “EMI” is the standard used for exchange of telecommunications message information among Local Exchange Carriers for billable, non-billable, sample, settlement and study data.

“Exchange Services” are two-way switched voice-grade telecommunications services with access to the public switched network with originate and terminate within an exchange.

“FCC” means the Federal Communications Commission.

“Incumbent Local Exchange Carrier” or “ILEC” has the meaning given the term in the Act.

“Interconnection” has the meaning given the term in the Act and refers to the connection of separate pieces of equipment, facilities, or platforms between or within networks for the purpose of transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic.

“Interconnection Agreement” means the agreement between the Parties entitled “Interconnection Agreement Under §§ 251 and 252 of the Telecommunications Act of 1996,” dated July 16, 1996.

“Interexchange Carrier” or “IXC” means a telecommunications provider that provides long distance communications services between LATAs and authorized by the Commission to provide long distance communications services.

“InterLATA” has the meaning given the term in the Act.

“IntraLATA Toll Traffic” means all IntraLATA calls provided by a LEC other than traffic completed in the LECs local exchange boundary.

“Local Access and Transport Area” or “LATA” has the meaning given to the term in the Act.

“Local Exchange Carrier” or “LEC” means the incumbent carrier that provides facility-based Exchange Services, which has universal-service and carrier-of-last-resort obligations.

“Local Service Provider” or “LSP” means a non-incumbent carrier licensed by the Commission with the appropriate certification (e.g., a Certificate of Authorization or Service Provider Certificate of Authorization) and authority necessary to provide Exchange Services.

“Local Service Request” or “LSR” means an industry standard form used by the Parties to add, establish, change or disconnect trunks, circuits and/or facilities associated with unbundled Network Elements.

“LSP Customer” means any business or residential customer for Local Service Provider services.

“911 Service” means a universal telephone number, which gives the public direct access to the PSAP. Basic 911 service collects 911 calls from one or more local exchange switches that serve a geographic area. The calls are then sent to the correct authority designated to receive such calls.

“Operating Company Number” or “OCN” means nationally recognized company codes set forth in Bellcore’s LERG that will be used as the official identification code for each company that provides local exchange telephone service.

"Parties" means ALLTEL and the LSP collectively.

"Party" means either ALLTEL or the LSP as applicable.

“Recipient” means the Party to this Agreement, which has received Confidential Information from the other Party.

“Resale Services” - any telecommunications service that is provided to subscribers who are not telecommunications carriers.

"Service Area" means the geographic area, e.g., Major Trading Area, Basic Trading Area, Metropolitan Service Area, Geographic Service Area, and Rural Service Area, served by the cellular system within which Carrier is licensed to provide service.

"Signaling System 7" or “SS7” means a signaling protocol used by the CCS network.

"Signaling Transfer Point" or "STP" means the point where a party interconnects, either directly or through facilities provided by ALLTEL, or a Third Party Provider with the CCS/SS7 network.

“Switched Exchange Access Service” means the offering of transmission or switching services to telecommunications carriers for the purpose of the origination or termination of Telephone toll Service. Switched Exchange Access Services include, but are not necessarily limited to: Feature Group A, Feature Group B, Feature Group D, 800/888 access, and 900 access and their successors or similar Switched Exchange Access Services.

"Synchronous Optical Network" or "SONET" means an optical interface standard that allows inter-networking of transmission products from multiple vendors.

“Telephone Exchange Service” means wireline exchange connections amongst LEC end users.

"Telecommunications" has the meanings given in the Act.

"Telecommunications Carrier” has the meanings given in the Act.

"Termination" means the switching of Local Traffic at the terminating carrier's end office switch, or equivalent facility, and delivery of such traffic to the called party.

"Territory" means the incumbent local exchange areas within the states identified in Appendix A

“Undefined Terms” The Parties acknowledge that terms may appear in the Agreement that are not defined and agree that any such terms shall be construed in accordance with their end-user usage in the telecommunications industry as of the effective date of this Agreement.

“Work Locations” means any real estate that ALLTEL owns, leases or licenses or in which it holds easements or other rights to use, or does use, in connection with this Agreement.

ATTACHMENT 21: ACRONYMS

AMA	Automated Message Accounting
CAP	Competitive Access Provider
CCS	Common Channel Signaling
CLASS	Custom Local Area Signaling Service
CMDS	Centralized Message Distribution System
CPN	Calling Party Number
EMI	Exchange Message Interface
EUCL	End User Common Line
FCC	Federal Communications Commission
ILEC	Incumbent Local Exchange Carrier
IXC	Interexchange Carrier
LATA	Local Access and Transport Area
LEC	Local Exchange Carrier
LOA	Letter of Authority
LSP	Local Service Provider
LSR	Local Service Request
NECA	National Exchange Carrier Association
OCN	Operating Company Number
PIC	Primary Interexchange Carrier
PSC	Public Service Commission
PUC	Public Utilities Commission
SLC	Subscriber Line Charge
SONET	Synchronous Optical Network
SS7	Signaling System 7
STP	Signaling Transfer Point