

**AMENDMENT  
TO  
RESALE AGREEMENT BETWEEN  
COMM SOUTH COMPANIES, INC. and  
BELLSOUTH TELECOMMUNICATIONS, INC.  
DATED SEPTEMBER 1, 1999**

Pursuant to this Amendment (the "Amendment"), COMM SOUTH COMPANIES, INC. ("COMM SOUTH") and BellSouth Telecommunications, Inc. ("BellSouth") hereinafter referred to collectively as the "Parties" hereby agree to amend that certain Resale Agreement between the Parties dated September 1, 1999 ("Resale Agreement"). This Amendment ("Amendment") is made by and between COMM SOUTH and BellSouth and shall be deemed effective on the date executed by COMM SOUTH and BellSouth ("Effective Date").

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, COMM SOUTH and BellSouth hereby covenant and agree as follows:

1. The term of this Amendment shall begin on the Effective Date and continue until October 31, 2003. The Parties shall include the terms and conditions of this volume and term Amendment in the subsequent Resale Agreement. The subsequent Agreement shall also terminate on October 31, 2003
2. The parties hereby agree to delete section 4.5 attachment 1 in its entirety and replace it with the following Section 4.5:
  - 4.5 Notwithstanding anything in this Agreement to the contrary, BellSouth shall provide to COMM SOUTH a volume discount arrangement for those BellSouth residential services specified in this Section. Such volume discount arrangement shall be contingent upon and governed by the following terms and conditions:
    - 4.5.1 COMM SOUTH and any assignees pursuant to Section 10 of the General Terms and Conditions shall maintain throughout the term of this Agreement at least 70,000 resold residential telecommunications lines from BellSouth
    - 4.5.2 In this Section, COMM SOUTH will utilize electronic ordering via one of the mechanized interfaces BellSouth has developed and made available to COMM SOUTH for all residential telecommunications services subject to such volume discounts described in this Section and ordered by COMM SOUTH from BellSouth subsequent to the date hereof.
    - 4.5.3 Except as otherwise expressly provided herein, the discounts payable pursuant to this Section shall not be deemed to decrease, alter or otherwise affect any other charges payable by COMM SOUTH to BellSouth pursuant

to this Agreement for the ordering, provisioning or maintenance of the services referenced herein, including but not limited to taxes, service charges and operational support system charges applicable to any such services or orders.

- 4.5.4 The Parties acknowledge that due to the functionality of BellSouth's billing systems, BellSouth is or may be unable to reflect applicable discounts on COMM SOUTH's initial bill for services described herein. All credits issued pursuant to this section shall be in arrears such that the applicable discount for a given billing cycle will be reflected on a subsequent bill. BellSouth, in its sole discretion, may apply BellSouth tariff rates less the applicable resale discount on initial monthly billing of any service to be discounted pursuant hereto, and COMM SOUTH shall pay such bills in full. Subject to COMM SOUTH maintaining the required volume of service and utilizing a BellSouth electronic ordering interface to order such services, BellSouth thereafter will apply credits, either the following month or on a quarterly basis, at BellSouth's sole discretion, to COMM SOUTH's bills in the amounts described herein to provide the discounts due to COMM SOUTH under this Section.
- 4.5.5 For each BellSouth bill period wherein COMM SOUTH maintains a minimum of 70,000 residential telecommunications lines from BellSouth for the entire bill period, BellSouth will offer a credit, equal to 100% of both the non-recurring and the recurring charges for Customized Code Restriction ("CCR") for each CCR feature purchased by COMM SOUTH on a residential telecommunications line at the time that the order shall be submitted via a BellSouth electronic ordering interface. In addition, for each bill period wherein COMM SOUTH maintains a minimum of 70,000 residential telecommunications lines from BellSouth for the entire bill period, BellSouth will also offer a credit, equal to 100% of the monthly recurring charges for each CCR feature previously ordered by COMM SOUTH and in effect on COMM SOUTH's residential telecommunications lines for its imbedded customer base. Notwithstanding the foregoing, the credits described in this section 4.5.5 shall be applicable only to residential telecommunications lines for which COMM SOUTH requires the end user to prepay for local exchange service. If at any time during the term of this Agreement COMM SOUTH purchases lines for resale on other than a prepaid basis, COMM SOUTH shall report to BellSouth those residential telecommunications lines that are and are not to be resold on a prepaid basis. BellSouth shall have the right to audit COMM SOUTH's billing records no more frequently than four (4) times per year during the term of this Agreement to determine the number of lines for which COMM SOUTH requires its end users to prepay for service, the number of CCR features ordered for those lines, the proper application of the discount described above, and any other relevant information related solely to determining the amount of discounts applicable to COMM SOUTH hereunder. BellSouth shall use such information solely in connection with determining volume discounts pursuant to this Section and will maintain the confidentiality of all

such information. COMM SOUTH shall make such records and data available to BellSouth or its designated auditors on a reasonable basis. BellSouth shall bear the cost of any such audit unless such audit reveals that COMM SOUTH has misreported by more than five percent (5%) the number of residential telecommunications lines for which for which COMM SOUTH requires prepayment by the end user, in which case COMM SOUTH shall bear the cost of such audit.

4.5.6 For each BellSouth bill period wherein COMM SOUTH maintains a minimum of 70,000 resold residential telecommunications lines from BellSouth for the entire bill period, BellSouth will offer a credit, equal to an additional discount of 25% off the Restore charge per BellSouth residential telecommunications line resold to a COMM SOUTH end user; provided that such Restore order is submitted via a BellSouth electronic ordering interface. In addition BellSouth will offer a credit, equal to 7% of the monthly recurring charges paid by COMM SOUTH to BellSouth during such month for Inside Wire Maintenance Service Plans, MemoryCall® Answering Service, Residence/Personal Mailbox, and Transfer Mailbox associated with a COMM SOUTH residential telecommunications line sold to a COMM SOUTH end user.

4.5.6.1 In addition, if COMM SOUTH maintains a minimum of 70,000 resold residential telecommunications lines and 70,000 vertical features for each bill period, BellSouth will offer a credit equal to an additional discount of 7% of the monthly recurring charges during such month for vertical features associated with a COMM SOUTH residential telecommunications line; provided, however, that such credit shall not apply to any residential telecommunications lines for which the services listed in Exhibit C, Section 2 are ordered or in effect. For purposes of this paragraph, the only vertical features to be used in calculating the minimum 70,000 vertical features are those listed on Exhibit C, Section 1 hereto.

4.5.7 For each BellSouth bill period wherein COMM SOUTH maintains a minimum of 90,000 residential telecommunications lines from BellSouth for the entire bill period, BellSouth will offer a credit, equal to an additional discount of 30% off the Restore charge per BellSouth residential telecommunications line resold to a COMM SOUTH end user; provided that such Restore order is submitted via a BellSouth electronic ordering interface. In addition BellSouth will offer a credit, equal to 10% of the monthly recurring charges paid by COMM SOUTH to BellSouth during such month for Inside Wire Maintenance Service Plans, MemoryCall® Answering Service, Residence/Personal Mailbox, and Transfer Mailbox associated with a COMM SOUTH residential telecommunications line sold to a COMM SOUTH end user.

4.5.7.1 In addition, if COMM SOUTH maintains a minimum of 90,000 resold residential telecommunications lines and 90,000 vertical features for each bill period, BellSouth will offer a credit equal to an additional discount of

10% of the monthly recurring charges during such month for vertical features associated with a COMM SOUTH residential telecommunications line; provided, however, that such credit shall not apply to any residential telecommunications lines for which the services listed in Exhibit C, Section 2 are ordered or in effect. For purposes of this paragraph, the only vertical features to be used in calculating the minimum 90,000 vertical features are those listed on Exhibit C, Section 1 hereto.

4.5.8 For each BellSouth bill period wherein COMM SOUTH maintains a minimum of 120,000 resold residential telecommunications lines from BellSouth for the entire bill period, BellSouth will offer a credit, equal to an additional discount of 35% off the Restore charge per BellSouth residential telecommunications line resold to a COMM SOUTH end user; provided that such Restore order is submitted via a BellSouth electronic ordering interface. In addition BellSouth will offer a credit, equal to 15% of the monthly recurring charges paid by COMM SOUTH to BellSouth during such month for Inside Wire Maintenance Service Plans, MemoryCall® Answering Service, Residence/Personal Mailbox, and Transfer Mailbox associated with a COMM SOUTH residential telecommunications line sold to a COMM SOUTH end user.

4.5.8.1 In addition, if COMM SOUTH maintains a minimum of 120,000 resold residential telecommunications lines and 120,000 vertical features for each bill period, BellSouth will offer a credit equal to an additional discount of 15% of the monthly recurring charges during such month for vertical features associated with a COMM SOUTH residential telecommunications line; provided, however, that such credit shall not apply to any residential telecommunications lines for which the services listed in Exhibit C, Section 2 are ordered or in effect. For purposes of this paragraph, the only vertical features to be used in calculating the minimum 120,000 vertical features are those listed on Exhibit C, Section 1 hereto.

4.5.9 For each BellSouth bill period wherein COMM SOUTH maintains a minimum of 140,000 resold residential telecommunications lines from BellSouth for the entire bill period, BellSouth will offer a credit, equal to an additional discount of 35% off the Restore charge per BellSouth residential telecommunications line resold to a COMM SOUTH end user; provided that such Restore order is submitted via a BellSouth electronic ordering interface. In addition BellSouth will offer a credit, equal to 20% of the monthly recurring charges paid by COMM SOUTH to BellSouth during such month for Inside Wire Maintenance Service Plans, MemoryCall® Answering Service, Residence/Personal Mailbox, and Transfer Mailbox associated with a COMM SOUTH residential telecommunications line sold to a COMM SOUTH end user.

4.5.9.1 In addition, if COMM SOUTH maintains a minimum of 140,000 resold residential telecommunications lines and 140,000 vertical features for each bill period, BellSouth will offer a credit equal to an additional discount of 20% of the monthly recurring charges during such month for vertical

features associated with a COMM SOUTH residential telecommunications line; provided, however, that such credit shall not apply to any residential telecommunications lines for which the services listed in Exhibit C, Section 2 are ordered or in effect. For purposes of this paragraph, the only vertical features to be used in calculating the minimum 140,000 vertical features are those listed on Exhibit C, Section 1 hereto.

4.5.10 For each BellSouth bill period wherein COMM SOUTH maintains a minimum of 160,000 resold residential telecommunications lines from BellSouth for the entire bill period, BellSouth will offer a credit, equal to an additional discount of 35% off the Restore charge per BellSouth residential telecommunications line resold to a COMM SOUTH end user; provided that such Restore order is submitted via a BellSouth electronic ordering interface. In addition BellSouth will offer a credit, equal to 25% of the monthly recurring charges paid by COMM SOUTH to BellSouth during such month for Inside Wire Maintenance Service Plans, MemoryCall® Answering Service, Residence/Personal Mailbox, and Transfer Mailbox associated with a COMM SOUTH residential telecommunications line sold to a COMM SOUTH end user.

4.5.10.1 In addition, if COMM SOUTH maintains a minimum of 160,000 resold residential telecommunications lines and 160,000 vertical features for each bill period, BellSouth will offer a credit equal to an additional discount of 25% of the monthly recurring charges during such month for vertical features associated with a COMM SOUTH residential telecommunications line; provided, however, that such credit shall not apply to any residential telecommunications lines for which the services listed in Exhibit C, Section 2 are ordered or in effect. For purposes of this paragraph, the only vertical features to be used in calculating the minimum 160,000 vertical features are those listed on Exhibit C, Section 1 hereto.

4.5.11 Notwithstanding the terms of payment for Operational Support System (“OSS”) charges set forth in Exhibit A hereto, commencing with the effective date of this Agreement, for each BellSouth monthly bill period wherein COMM SOUTH maintains a minimum of 70,000 residential telecommunications lines from BellSouth for the entire monthly bill period, BellSouth will offer tiered OSS rates based on monthly bill period electronic Local Service Request (LSR) volume levels as follows.

<b>Volume Level Per Monthly Bill Period</b>	<b>OSS Rate</b>
Tier 1 From 1 to 14,500 LSRs	\$3.50
Tier 2 From 14,501 to 24,000 LSRs	\$3.00
Tier 3 24,001 LSRs and greater	\$2.50

At the conclusion of a particular monthly bill period, the OSS Rate will revert to the Tier 1 rate of \$3.50.

All credits issued in this section shall be in arrears such that the applicable credits for a given billing cycle will be reflected on COMM SOUTH's bill on a quarterly basis and shall be in accordance with the terms described in Section 4.5.4.

- 4.5.12 If at any time during the term of this Agreement, should COMM SOUTH fail to maintain the minimum 70,000 residential telecommunications lines required herein for three consecutive months or otherwise choose not to operate under the terms and conditions of this Section, COMM SOUTH will be assessed a termination charge equal to the year-to-date accumulated credits received times a termination factor. The termination factor will vary by year:

<u>CONTRACT YEAR</u>	<u>TERMINATION FACTOR</u>
Year 1	100%
Year 2	25%
Year 3	0%

- 4.5.13 Upon expiration of this Agreement in accordance with the terms of Section 2 of the General Terms and Conditions of this Agreement, the discounts offered pursuant to this Section shall cease to apply, regardless of whether BellSouth continues to offer services to COMM SOUTH pursuant to the terms of this Agreement after expiration and while a new agreement is being negotiated.
3. The Parties agree that the terms of this Section 4.5 have been negotiated as a whole, each provision being interdependent with the others. The following Exhibit C attached hereto will be added as Exhibit C to Attachment 1 of the Resale Agreement.
4. All of the other provisions of the Resale Agreement, dated September 1, 1999, shall remain in full force and effect.
5. The Parties agree that either or both of the Parties is authorized to submit this Amendment to the respective state regulatory authorities for approval subject to Section 252(e) of the Federal Telecommunications Act of 1996.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their respective duly authorized representatives on the date indicated below.

**COMM SOUTH Companies, Inc.**

**BellSouth Telecommunications, Inc.**

On File

Signature

Larry Long

Name

President

Title

11/08/2000

Date

On File

Signature

Jerry Hendrix

Name

Executive Director

Title

11/10/2000

Date

## **EXHIBIT C**



## EXHIBIT C

**Section 1: Features to be included for purposes of calculating the average number of vertical services per line resold by COMM SOUTH:**

Anonymous Call Rej.  
Call Block  
Call Forwarding (CF) Variable  
Call Return  
Call Selector  
Call Tracing  
Call Waiting  
Call Waiting Deluxe  
Caller ID Basic  
Caller ID Deluxe  
Flexible CF  
Flexible CF/Audio CN  
Flexible CF+  
Flexible CF+/Audio CN  
Preferred CF  
Remote Access to CF  
Repeat Dialing  
RingMaster I  
RingMaster II  
Speed Calling 30  
Speed Calling 8  
Three-Way Calling  
Three-Way Calling w/ Transfer

**Section 2: Features NOT included for purposes of calculating the average number of vertical services per line resold by COMM SOUTH:**

Complete Choice  
Area Plus, (3)  
Area Plus with Complete Choice, (4)  
Local Optional Service with Complete Choice (available in Louisiana only), and  
Area Calling Plan with Complete Choice (available in Mississippi only)