

EXECUTIVE SUMMARY
of
Resale Agreement between BellSouth BSE, Inc. and BellSouth Telecommunications, Inc.
BellSouth Standard Resale Agreement

Agreement Effective Date: 09/24/99	Agreement Expiration Date: 09/23/99
Negotiator: Ida Bourne	Negotiator Tel No: 404-927-7511
OCN:	
Location of Executive Summary: t:\hendrix\morrison\contracts\bourne\BSE	Location of Resale Agreement: t:\hendrix\morrison\contracts\bourne\BSE

Attachment	Section Number	Version Date	No Deviation	Deviation	Deviation Affect Compliance Y/N	If Compliance Item, Priority H/M/L	If Deviation, enter Paragraph No. And Brief Description of Deviation. If different by state, note here also.
Terms/Conditions Part A	1	08/18/99	X				
	2		X				
	3		X				
	4		X				
	5		X				
	6		X				
	7		X				
	8		X				
	9			X	Y	H	9.1 - added "For so long as BSE is a BellSouth Corporation affiliate that shares BellSouth's name and rights to BellSouth service marks and trademarks, BSE may, in its discretion, use any BellSouth name, service mark or trademark. Otherwise, BSE shall be" strictly.....
	10		X				
	11		X				
	12		X				
	13		X				
	14		X				
	15		X				
	16		X				
	17		X				
	18		X				
	19		X				

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	20		X				
	21		X				
	22		X				
	23		X				
	24		X				
	25		X				
Terms/Conditions Part B			X				
1-Resale	1		X				
	2		X				
	3		X				
	4		X				
	5		X				
	6		X				
	7		X				
	8		X				
	9		X				
	10		X				
	11		X				
	12		X				
	13			X	N		Deleted CNAM
	Exhibit A		X				
	Exhibit B		X				
	Exhibit C		X				
	Exhibit D		X				
	Exhibit E		X				
	Exhibit F		X				
	Exhibit G			X	N		Deleted CNAM Exhibit G
	Exhibit H			X	N		Renamed to "Exhibit G"

ATTACHMENT TO TRANSMITTAL LETTER

The Resale Agreement entered into by and between BellSouth Telecommunications, Inc. and BellSouth BSE, Inc., dated September 24, 1999, for the state of Kentucky consists of the following:

ITEM	NO. PAGES
General Terms and Conditions	20
Attachment 1	33
TOTAL	53

RESALE AGREEMENT
By and Between
BellSouth Telecommunications, Inc. and
BellSouth BSE, Inc.

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

W I T N E S S E T H

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

WHEREAS, BSE is an competitive local exchange company (“CLEC”) authorized to provide telecommunications services in the state of Kentucky; and

WHEREAS, the Parties wish to resell BellSouth’s telecommunications services and/or interconnect their facilities, purchase network elements and other services, and exchange traffic specifically for the purposes of fulfilling their obligations pursuant to sections 251 and 252 of the Telecommunications Act of 1996 (“the Act”).

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

1. Purpose

The Parties agree that the rates, terms and conditions contained within this Agreement, including all Attachments, comply and conform with each Parties' obligations under sections 251 and 252 of the Act. The resale, access and interconnection obligations contained herein enable BSE to provide competing telephone exchange service to residential and business subscribers within the territory of BellSouth. The Parties agree that BSE will not be considered to have offered telecommunications services to the public in any state within BellSouth’s region until such time as it has ordered services for resale or interconnection facilities for the purposes of providing business and/or residential local exchange service to customers.

2. Term of the Agreement

- 2.1 The term of this Agreement shall be two years, beginning on the effective date as defined above and shall apply to the state(s) of Kentucky. If as of the expiration of this Agreement, a Subsequent Agreement (as defined in Section 2.2 below) has not been executed by the Parties, this Agreement shall continue on a month-to-month basis while a Subsequent Agreement is being negotiated. The Parties' rights and obligations with respect to this Agreement after expiration shall be as set forth in Section 2.4 below.
- 2.2 The Parties agree that by no later than one hundred and eighty (180) days prior to the expiration of this Agreement, they shall commence negotiations with regard to the terms, conditions and prices of resale and/or local interconnection to be effective beginning on the expiration date of this Agreement ("Subsequent Agreement").
- 2.3 If, within one hundred and thirty-five (135) days of commencing the negotiation referred to in Section 2.2, above, the Parties are unable to satisfactorily negotiate new resale and/or local interconnection terms, conditions and prices, either Party may petition the Commission to establish appropriate local interconnection and/or resale arrangements pursuant to 47 U.S.C. 252. The Parties agree that, in such event, they shall encourage the Commission to issue its order regarding the appropriate local interconnection and/or resale arrangements no later than the expiration date of this Agreement. The Parties further agree that in the event the Commission does not issue its order prior to the expiration date of this Agreement, or if the Parties continue beyond the expiration date of this Agreement to negotiate the local interconnection and/or resale arrangements without Commission intervention, the terms, conditions and prices ultimately ordered by the Commission, or negotiated by the Parties, will be effective retroactive to the day following the expiration date of this Agreement.
- 2.4 Notwithstanding the foregoing, in the event that as of the date of expiration of this Agreement and conversion of this Agreement to a month-to-month term, the Parties have not entered into a Subsequent Agreement and either no arbitration proceeding has been filed in accordance with Section 2.3 above, or the Parties have not mutually agreed (where permissible) to extend the arbitration window for petitioning the applicable Commission(s) for resolution of those terms upon which the Parties have not agreed, then either Party may terminate this Agreement upon sixty (60) days notice to the other Party. In the event that BellSouth terminates this Agreement as provided above, BellSouth shall continue to offer services to BSE pursuant to the terms, conditions and rates set forth in BellSouth's Statement of Generally Available Terms (SGAT) to the extent an SGAT has been approved by the applicable Commission(s). If any state Commission has not approved a BellSouth SGAT, then upon BellSouth's termination of this Agreement as provided herein, BellSouth will continue to provide services to BSE pursuant to BellSouth's then current standard interconnection agreement. In the

event that the SGAT or BellSouth's standard interconnection agreement becomes effective as between the Parties, the Parties may continue to negotiate a Subsequent Agreement, and the terms of such Subsequent Agreement shall be effective retroactive to the day following expiration of this Agreement.

3. Ordering Procedures

- 3.1 BSE shall provide BellSouth its Carrier Identification Code (CIC), Operating Company Number (OCN), Group Access Code (GAC) and Access Customer Name and Address (ACNA) code as applicable prior to placing its first order.
- 3.2 The Parties agree to adhere to the BellSouth Local Interconnection and Facility Based Ordering Guide and Resale Ordering Guide, as appropriate for the services ordered.
- 3.3 BSE shall pay charges for Operational Support Systems (OSS) as set forth in this Agreement in Attachment 1 and/or in Attachment 2, 3, 5 and 7 as applicable.

4. Parity

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

5. White Pages Listings

BellSouth shall provide BSE and their customers access to white pages directory listings under the following terms:

- 5.1 Listings. BellSouth or its agent will include BSE residential and business customer listings in the appropriate White Pages (residential and business) or alphabetical directories. Directory listings will make no distinction between BSE and BellSouth subscribers.

- 5.2 Rates. Subscriber primary listing information in the White Pages shall be provided at no charge to BSE or its subscribers provided that BSE provides subscriber listing information to BellSouth at no charge.
- 5.3 Procedures for Submitting BSE Subscriber Information. BellSouth will provide to BSE a magnetic tape or computer disk containing the proper format for submitting subscriber listings. BSE will be required to provide BellSouth with directory listings and daily updates to those listings, including new, changed, and deleted listings, in an industry-accepted format. These procedures are detailed in BellSouth's Local Interconnection and Facility Based Ordering Guide.
- 5.4 Unlisted/Non-Published Subscribers. BSE will be required to provide to BellSouth the names, addresses and telephone numbers of all BSE customers that wish to be omitted from directories.
- 5.5 Inclusion of BSE Customers in Directory Assistance Database. BellSouth will include and maintain BSE subscriber listings in BellSouth's directory assistance databases at no charge. BellSouth and BSE will formulate appropriate procedures regarding lead time, timeliness, format and content of listing information.
- 5.6 Listing Information Confidentiality. BellSouth will accord BSE's directory listing information the same level of confidentiality that BellSouth accords its own directory listing information, and BellSouth shall limit access to BSE's customer proprietary confidential directory information to those BellSouth employees who are involved in the preparation of listings.
- 5.7 Optional Listings. Additional listings and optional listings will be offered by BellSouth at tariffed rates as set forth in the General Subscriber Services Tariff.
- 5.8 Delivery. BellSouth or its agent shall deliver White Pages directories to BSE subscribers at no charge.
6. **Bona Fide Request/New Business Request Process for Further Unbundling**

If BSE is a facilities based provider or a facilities based and resale provider, this section shall apply. BellSouth shall, upon request of BSE, provide to BSE access to its network elements at any technically feasible point for the provision of BSE's telecommunications service where such access is necessary and failure to provide access would impair the ability of BSE to provide services that it seeks to offer. Any request by BSE for access to a network element, interconnection option, or for the provisioning of any service or product that is not already available shall be treated as a Bona Fide Request/New Business Request, and shall be submitted to BellSouth pursuant to the Bona Fide Request/New Business Request process set forth following.

- 6.1 A Bona Fide Request/New Business Request shall be submitted in writing to BSE's Account Manager by BSE and shall specifically identify the requested service date, technical requirements, space requirements and/or such specifications that clearly define the request such that BellSouth has sufficient information to analyze and prepare a response. Such a request also shall include a BSE's designation of the request as being (i) pursuant to the Telecommunications Act of 1996 or (ii) pursuant to the needs of the business.

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

To the extent technically feasible, BellSouth maintains call detail records for BSE end users for limited time periods and can respond to subpoenas and court ordered requests for this information. BellSouth shall maintain such information for BSE end users for the same length of time it maintains such information for its own end users.

- 7.1 BSE agrees that BellSouth will respond to subpoenas and court ordered requests delivered directly to BellSouth for the purpose of providing call detail records when the targeted telephone numbers belong to BSE end users. Billing for such requests will be generated by BellSouth and directed to the law enforcement agency initiating the request.
- 7.2 BSE agrees that in cases where BSE receives subpoenas or court ordered requests for call detail records for targeted telephone numbers belonging to BSE end users, BSE will advise the law enforcement agency initiating the request to redirect the subpoena or court ordered request to BellSouth. Billing for call detail information will be generated by BellSouth and directed to the law enforcement agency initiating the request.
- 7.3 In cases where the timing of the response to the law enforcement agency prohibits BSE from having the subpoena or court ordered request redirected to BellSouth by the law enforcement agency, BSE will furnish the official request to BellSouth for providing the call detail information. BellSouth will provide the call detail records to BSE and bill BSE for the information. BSE agrees to reimburse BellSouth for the call detail information provided.
- 7.4 BSE will provide BSE end user and/or other customer information that is available to BSE in response to subpoenas and court orders from their own customer records. BellSouth will redirect subpoenas and court ordered requests for BSE end user and/or other customer information to BSE for the purpose of providing this information to the law enforcement agency.

8. Liability and Indemnification

- 8.1 BellSouth Liability. BellSouth shall take financial responsibility for its own actions in causing, or its lack of action in preventing, unbillable or uncollectible BSE revenues.
- 8.2 BSE Liability. In the event that BSE consists of two (2) or more separate entities as set forth in the preamble to this Agreement, all such entities shall be jointly and severally liable for the obligations of BSE under this Agreement.
- 8.3 Liability for Acts or Omissions of Third Parties. Neither BellSouth nor BSE shall be liable for any act or omission of another telecommunications company providing a portion of the services provided under this Agreement.
- 8.4 Limitation of Liability.
- 8.4.1 Each Party's liability to the other for any loss, cost, claim, injury or liability or expense, including reasonable attorney's fees relating to or arising out of any negligent act or omission in its performance of this Agreement whether in contract or in tort, shall be limited to a credit for the actual cost of the services or functions not performed or improperly performed.
- 8.4.2 Limitations in Tariffs. A Party may, in its sole discretion, provide in its tariffs and contracts with its Customer and third parties that relate to any service, product or function provided or contemplated under this Agreement, that to the maximum extent permitted by Applicable Law, such Party shall not be liable to Customer or third Party for (i) any Loss relating to or arising out of this Agreement, whether in contract, tort or otherwise, that exceeds the amount such Party would have charged that applicable person for the service, product or function that gave rise to such Loss and (ii) Consequential Damages. To the extent that a Party elects not to place in its tariffs or contracts such limitations of liability, and the other Party incurs a Loss as a result thereof, such Party shall indemnify and reimburse the other Party for that portion of the Loss that would have been limited had the first Party included in its tariffs and contracts the limitations of liability that such other Party included in its own tariffs at the time of such Loss.
- 8.4.3 Neither BellSouth nor BSE shall be liable for damages to the other's terminal location, POI or other company's customers' premises resulting from the furnishing of a service, including, but not limited to, the installation and removal of equipment or associated wiring, except to the extent caused by a company's negligence or willful misconduct or by a company's failure to properly ground a local loop after disconnection.
- 8.4.4 Under no circumstance shall a Party be responsible or liable for indirect, incidental, or consequential damages, including, but not limited to, economic loss or lost business or profits, damages arising from the use or performance of

equipment or software, or the loss of use of software or equipment, or accessories attached thereto, delay, error, or loss of data. In connection with this limitation of liability, each Party recognizes that the other Party may, from time to time, provide advice, make recommendations, or supply other analyses related to the Services, or facilities described in this Agreement, and, while each Party shall use diligent efforts in this regard, the Parties acknowledge and agree that this limitation of liability shall apply to provision of such advice, recommendations, and analyses.

8.5 **Indemnification for Certain Claims.** The Party providing services hereunder, its affiliates and its parent company, shall be indemnified, defended and held harmless by the Party receiving services hereunder against any claim, loss or damage arising from the receiving company's use of the services provided under this Agreement pertaining to (1) claims for libel, slander or invasion of privacy arising from the content of the receiving company's own communications, or (2) any claim, loss or damage claimed by the customer of the Party receiving services arising from such company's use or reliance on the providing company's services, actions, duties, or obligations arising out of this Agreement.

8.6 **Disclaimer.** EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES TO THE OTHER PARTY CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES, OR FACILITIES PROVIDED UNDER THIS AGREEMENT. THE PARTIES DISCLAIM, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.

9. **Intellectual Property Rights and Indemnification**

9.1 **No License.** No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. For so long as BSE is a BellSouth Corporation affiliate that shares BellSouth's name and rights to BellSouth service marks and trademarks, BSE may, in its discretion, use any BellSouth name, service mark or trademark. Otherwise, BSE shall be strictly prohibited from any use, including but not limited to in sales, in marketing or advertising of telecommunications services, of any BellSouth name, service mark or trademark.

9.2 **Ownership of Intellectual Property.** Any intellectual property which originates from or is developed by a Party shall remain in the exclusive ownership of that Party. Except for a limited license to use patents or copyrights to the extent necessary for the Parties to use any facilities or equipment (including software) or to receive any service solely as provided under this Agreement, no license in patent, copyright, trademark or trade secret, or other proprietary or intellectual

property right now or hereafter owned, controlled or licensable by a Party, is granted to the other Party or shall be implied or arise by estoppel. It is the responsibility of each Party to ensure at no additional cost to the other Party that it has obtained any necessary licenses in relation to intellectual property of third Parties used in its network that may be required to enable the other Party to use any facilities or equipment (including software), to receive any service, or to perform its respective obligations under this Agreement.

- 9.3 Indemnification. The Party providing a service pursuant to this Agreement will defend the Party receiving such service or data provided as a result of such service against claims of infringement arising solely from the use by the receiving Party of such service and will indemnify the receiving Party for any damages awarded based solely on such claims in accordance with Section 8 of this Agreement.
- 9.4 Claim of Infringement. In the event that use of any facilities or equipment (including software), becomes, or in reasonable judgment of the Party who owns the affected network is likely to become, the subject of a claim, action, suit, or proceeding based on intellectual property infringement, then said Party shall promptly and at its sole expense, but subject to the limitations of liability set forth below:
- 9.4.1 modify or replace the applicable facilities or equipment (including software) while maintaining form and function, or
- 9.4.2 obtain a license sufficient to allow such use to continue.
- 9.4.3 In the event 9.4.1 or 9.4.2 are commercially unreasonable, then said Party may, terminate, upon reasonable notice, this contract with respect to use of, or services provided through use of, the affected facilities or equipment (including software), but solely to the extent required to avoid the infringement claim.
- 9.5 Exception to Obligations. Neither Party's obligations under this Section shall apply to the extent the infringement is caused by: (i) modification of the facilities or equipment (including software) by the indemnitee; (ii) use by the indemnitee of the facilities or equipment (including software) in combination with equipment or facilities (including software) not provided or authorized by the indemnitor provided the facilities or equipment (including software) would not be infringing if used alone; (iii) conformance to specifications of the indemnitee which would necessarily result in infringement; or (iv) continued use by the indemnitee of the affected facilities or equipment (including software) after being placed on notice to discontinue use as set forth herein.
- 9.6 Exclusive Remedy. The foregoing shall constitute the Parties' sole and exclusive remedies and obligations with respect to a third party claim of intellectual property infringement arising out of the conduct of business under this Agreement.

10. Treatment of Proprietary and Confidential Information

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

10.2 Exception to Obligation. Notwithstanding the foregoing, there will be no obligation on BellSouth or BSE to protect any portion of the Information that is: (1) made publicly available by the owner of the Information or lawfully disclosed by a Party other than BellSouth or BSE; (2) lawfully obtained from any source other than the owner of the Information; or (3) previously known to the receiving Party without an obligation to keep it confidential.

11. Assignments

Any assignment by either Party to any non-affiliated entity of any right, obligation or duty, or of any other interest hereunder, in whole or in part, without the prior written consent of the other Party shall be void. A Party may assign this Agreement or any right, obligation, duty or other interest hereunder to an Affiliate company of the Party without the consent of the other Party. All obligations and duties of any Party under this Agreement shall be binding on all successors in interest and assigns of such Party. No assignment or delegation hereof shall relieve the assignor of its obligations under this Agreement in the event that the assignee fails to perform such obligations.

12. Resolution of Disputes

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

13. Taxes

13.1 Definition. For purposes of this Section, the terms “taxes” and “fees” shall include but not limited to federal, state or local sales, use, excise, gross receipts or other taxes or tax-like fees of whatever nature and however designated (including tariff surcharges and any fees, charges or other payments, contractual or otherwise, for the use of public streets or rights of way, whether designated as franchise fees or otherwise) imposed, or sought to be imposed, on or with respect to the services furnished hereunder or measured by the charges or payments therefore, excluding any taxes levied on income.

13.2 Taxes and Fees Imposed Directly On Either Providing Party or Purchasing Party.

13.2.1 Taxes and fees imposed on the providing Party, which are not permitted or required to be passed on by the providing Party to its customer, shall be borne and paid by the providing Party.

13.2.2 Taxes and fees imposed on the purchasing Party, which are not required to be collected and/or remitted by the providing Party, shall be borne and paid by the purchasing Party.

13.3 Taxes and Fees Imposed on Purchasing Party But Collected And Remitted By Providing Party.

13.3.1 Taxes and fees imposed on the purchasing Party shall be borne by the purchasing Party, even if the obligation to collect and/or remit such taxes or fees is placed on the providing Party.

13.3.2 To the extent permitted by applicable law, any such taxes and/or fees shall be shown as separate items on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party shall remain liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.

13.3.3 If the purchasing Party determines that in its opinion any such taxes or fees are not payable, the providing Party shall not bill such taxes or fees to the purchasing Party if the purchasing Party provides written certification, reasonably satisfactory to the providing Party, stating that it is exempt or otherwise not subject to the tax or fee, setting forth the basis therefor, and satisfying any other requirements under applicable law. If any authority seeks to collect any such tax or fee that the purchasing Party has determined and certified not to be payable, or any such tax or fee that was not billed by the providing Party, the purchasing Party may contest the same in good faith, at its own expense. In any such contest, the purchasing Party shall promptly furnish the providing Party with copies of all filings in any proceeding, protest, or legal challenge, all rulings issued in connection therewith, and all correspondence between the purchasing Party and the taxing authority.

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

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

14. Force Majeure

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

remove such causes of non-performance and both Parties shall proceed whenever such causes are removed or cease.

15. Year 2000 Compliance

Each Party warrants that it has implemented a program the goal of which is to ensure that all software, hardware and related materials (collectively called “Systems”) delivered, connected between the parties or supplied in the furtherance of the terms and conditions specified in this Agreement: (i) will record, store, process and display calendar dates falling on or after January 1, 2000, in the same manner, and with the same functionality as such software records, stores, processes and calendar dates falling on or before December 31, 1999; and (ii) shall include without limitation date data century recognition, calculations that accommodate same century and multicentury formulas and date values, and date data interface values that reflect the century.

16. Modification of Agreement

- 16.1 BellSouth shall make available, pursuant to 47 USC § 252 and the FCC rules and regulations regarding such availability, to BSE any interconnection, service, or network element provided under any other agreement filed and approved pursuant to 47 USC § 252. The Parties shall adopt all rates, terms and conditions concerning such other interconnection, service or network element and any other rates, terms and conditions that are interrelated or were negotiated in exchange for or in conjunction with the interconnection, service or network element being adopted. The adopted interconnection, service, or network element and agreement shall apply to the same states as such other agreement and for the identical term of such other agreement.
- 16.2 If BSE changes its name or makes changes to its company structure or identity due to a merger, acquisition, transfer or any other reason, it is the responsibility of BSE to notify BellSouth of said change and request that an amendment to this Agreement, if necessary, be executed to reflect said change.
- 16.3 No modification, amendment, supplement to, or waiver of the Agreement or any of its provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties.
- 16.4 Execution of this Agreement by either Party does not confirm or infer that the executing Party agrees with any decision(s) issued pursuant to the Telecommunications Act of 1996 and the consequences of those decisions on specific language in this Agreement. Neither Party waives its rights to appeal or otherwise challenge any such decision(s) and each Party reserves all of its rights to pursue any and all legal and/or equitable remedies, including appeals of any such decision(s).

16.5 In the event that any final and nonappealable legislative, regulatory, judicial or other legal action materially affects any material terms of this Agreement, or the ability of BSE or BellSouth to perform any material terms of this Agreement, BSE or BellSouth may, on thirty (30) days' written notice require that such terms be renegotiated, and the Parties shall renegotiate in good faith such mutually acceptable new terms as may be required. In the event that such new terms are not renegotiated within ninety (90) days after such notice, the Dispute shall be referred to the Dispute Resolution procedure set forth in Section 12.

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

17. Waivers

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

18. Governing Law

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

19. Arm's Length Negotiations

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

20. Notices

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

BellSouth Telecommunications, Inc.

CLEC Account Team
9th Floor

600 North 19th Street
Birmingham, Alabama 35203

and

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

BellSouth BSE, Inc.

Robert Scheye
Vice President-Supplier Development & External Affairs
Building # 2, Suite 1100
2727 Paces Ferry Road
Atlanta, GA 30339
Tel. #: 770-803-2324

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

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

20.3 BellSouth shall provide BSE notice via Internet posting of price changes and of changes to the terms and conditions of services available for resale.

21. Rule of Construction

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

22. Headings of No Force or Effect

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

23. Multiple Counterparts

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

24. Implementation of Agreement

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

25. Filing of Agreement

Upon execution of this Agreement it shall be filed with the appropriate state regulatory agency pursuant to the requirements of Section 252 of the Act. If the regulatory agency imposes any filing or public interest notice fees regarding the filing or approval of the Agreement, BSE shall be responsible for publishing the required notice and the publication and/or notice costs shall be borne by BSE.

26. Entire Agreement

This Agreement and its Attachments, incorporated herein by this reference, sets forth the entire understanding and supersedes prior Agreements between the Parties relating to the subject matter contained herein and merges all prior discussions between them, and neither Party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the Party to be bound thereby.

This Agreement may include attachments with provisions for the following services:

Network Elements and Other Services
Local Interconnection
Resale
Collocation

The following services are included as options for purchase by BSE. BSE shall elect said services by written request to its Account Manager if applicable.

Optional Daily Usage File (ODUF)
Enhanced Optional Daily Usage File (EODUF)
Access Daily Usage File (ADUF)
Line Information Database (LIDB) Storage
Centralized Message Distribution Service (CMDS)
Calling Name (CNAM)

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

BellSouth Telecommunications, Inc.

BellSouth BSE, Inc.

Signature on file
Signature

Signature on File
Signature

Jerry Hendrix
Name

Mario Soto
Name

Sr. Director-Interconnection Services
Title

Director – Business Relations
Title

09-23-99
Date

09-24-99
Date

Definitions

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

Centralized Message Distribution System is the Telcordia (formerly BellCore) administered national system, based in Kansas City, Missouri, used to exchange Exchange Message Interface (EMI) formatted data among host companies.

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

Daily Usage File is the compilation of messages or copies of messages in standard Exchange Message Interface (EMI) format exchanged from BellSouth to an CLEC.

Exchange Message Interface is the nationally administered standard format for the exchange of data among the Exchange Carriers within the telecommunications industry.

Information Service means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.

Intercompany Settlements (ICS) is the revenue associated with charges billed by a company other than the company in whose service area such charges were incurred. ICS on a national level includes third number and credit card calls and is administered by Telcordia (formerly BellCore)’s Calling Card and Third Number Settlement System (CATS). Included is traffic that originates in one Regional Bell Operating Company’s (RBOC) territory and bills in another RBOC’s territory.

Intermediary function is defined as the delivery of traffic from BSE; a CLEC other than BSE or another telecommunications carrier through the network of BellSouth or BSE to an end user of BSE; a CLEC other than BSE or another telecommunications carrier.

Local Interconnection is defined as 1) the delivery of local traffic to be terminated on each Party’s local network so that end users of either Party have the ability to reach end users of the other Party without the use of any access code or substantial delay in the processing of the call; 2) the LEC network features, functions, and capabilities set forth in this Agreement; and 3) Service Provider Number Portability sometimes referred to as temporary telephone number portability to be implemented pursuant to the terms of this Agreement.

Local Traffic is defined as any telephone call that originates in one exchange and terminates in either the same exchange, or other local calling area associated with the originating exchange as defined and specified in Section A3 of BellSouth's General Subscriber Service Tariff. As clarification of this definition and for reciprocal compensation, Local Traffic does not include traffic that originates from or terminates to or through an enhanced service provider or information service provider. As further clarification, Local Traffic does not include calls that do not transmit information of the user's choosing. In any event, neither Party will pay reciprocal compensation to the other if the "traffic" to which such reciprocal compensation would otherwise apply was generated, in whole or in part, for the purpose of creating an obligation on the part of the originating carrier to pay reciprocal compensation for such traffic.

Message Distribution is routing determination and subsequent delivery of message data from one company to another. Also included is the interface function with CMDS, where appropriate.

Multiple Exchange Carrier Access Billing ("MECAB") means the document prepared by the Billing Committee of the Ordering and Billing Forum ("OBF"), which functions under the auspices of the Carrier Liaison Committee of the Alliance for Telecommunications Industry Solutions ("ATIS") and by Telcordia (formerly BellCore) as Special Report SR-BDS-000983, Containing the recommended guidelines for the billing of Exchange Service access provided by two or more LECs and/or CLECs or by one LEC in two or more states within a single LATA.

Network Element is defined to mean a facility or equipment used in the provision of a telecommunications service. Such term may include, but is not limited to, features, functions, and capabilities that are provided by means of such facility or equipment, including but not limited to, subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a telecommunications service. BellSouth offers access to the Network Elements, unbundled loops; network interface device; sub-loop elements; local switching; transport; tandem switching; operator systems; signaling; access to call-related databases; dark fiber as set forth in Attachment 2 of this Agreement.

Non-Intercompany Settlement System (NICS) is the Telcordia (formerly BellCore) system that calculates non-intercompany settlements amounts due from one company to another within the same RBOC region. It includes credit card, third number and collect messages.

Percent of Interstate Usage (PIU) is defined as a factor to be applied to terminating access services minutes of use to obtain those minutes that should be rated as interstate access services minutes of use. The numerator includes all interstate "non-intermediary" minutes of use, including interstate minutes of use that are forwarded due to service provider number portability less any interstate minutes of use for Terminating Party Pays services, such as 800 Services. The denominator includes all "non-intermediary", local, interstate, intrastate, toll and access minutes of use adjusted for service provider number portability less all minutes attributable to terminating Party pays services.

Percent Local Usage (PLU) is defined as a factor to be applied to intrastate terminating minutes of use. The numerator shall include all “non-intermediary” local minutes of use adjusted for those minutes of use that only apply local due to Service Provider Number Portability. The denominator is the total intrastate minutes of use including local, intrastate toll, and access, adjusted for Service Provider Number Portability less intrastate terminating Party pays minutes of use.

Revenue Accounting Office (RAO) Status Company is a local exchange company/alternate local exchange company that has been assigned a unique RAO code. Message data exchanged among RAO status companies is grouped (i.e. packed) according to From/To/Bill RAO combinations.

Service Control Points (“SCPs”) are defined as databases that store information and have the ability to manipulate data required to offer particular services.

Signal Transfer Points (“STPs”) are signaling message switches that interconnect Signaling Links to route signaling messages between switches and databases. STPs enable the exchange of Signaling System 7 (“SS7”) messages between switching elements, database elements and STPs. STPs provide access to various BellSouth and third party network elements such as local switching and databases.

Signaling links are dedicated transmission paths carrying signaling messages between carrier switches and signaling networks. Signal Link Transport is a set of two or four dedicated 56 kbps transmission paths between BSE designated Signaling Points of Interconnection that provide a diverse transmission path and cross connect to a BellSouth Signal Transfer Point.

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

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

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

Attachment 1

Resale

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RESALE

The rates, terms and conditions contained within this Attachment were negotiated as a whole and each rate, term and condition within the Attachment is interdependent upon the other rates, terms and conditions.

1 Discount Rates

The rates pursuant by which BSE is to purchase services from BellSouth for resale shall be at a discount rate off of the retail rate for the telecommunications service. The discount rates shall be as set forth in Exhibit A, attached hereto and incorporated herein by this reference. Such discount shall reflect the costs avoided by BellSouth when selling a service for wholesale purposes.

2 Definition of Terms

- 2.1 CUSTOMER OF RECORD means the entity responsible for placing application for service; requesting additions, rearrangements, maintenance or discontinuance of service; payment in full of charges incurred such as non-recurring, monthly recurring, toll, directory assistance, etc.
- 2.2 DEPOSIT means assurance provided by a customer in the form of cash, surety bond or bank letter of credit to be held by BellSouth.
- 2.3 END USER means the ultimate user of the telecommunications services.
- 2.4 END USER CUSTOMER LOCATION means the physical location of the premises where an end user makes use of the telecommunications services.
- 2.5 NEW SERVICES means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.
- 2.6 OTHER/COMPETITIVE LOCAL EXCHANGE COMPANY (OLEC/CLEC) means a telephone company certificated by the public service commissions of BellSouth's franchised area to provide local exchange service within BellSouth's franchised area.
- 2.7 RESALE means an activity wherein a certificated CLEC, such as BSE, subscribes to the telecommunications services of BellSouth and then reoffers those telecommunications services to the public (with or without "adding value").
- 2.8 RESALE SERVICE AREA means the area, as defined in a public service commission approved certificate of operation, within which a CLEC, such as BSE, may offer resold local exchange telecommunications service.

3 General Provisions

- 3.1 BSE may resell the tariffed local exchange and toll telecommunications services of BellSouth contained in the General Subscriber Service Tariff and Private Line Service Tariff subject to the terms, and conditions specifically set forth herein. Notwithstanding the foregoing, the exclusions

and limitations on services available for resale will be as set forth in Exhibit B, attached hereto and incorporated herein by this reference.

BellSouth shall make available telecommunications services for resale at the rates set forth in Exhibit A to this Agreement and subject to the exclusions and limitations set forth in Exhibit B to this Agreement. BellSouth does not however waive its rights to appeal or otherwise challenge any decision regarding resale that resulted in the discount rates contained in Exhibit A or the exclusions and limitations contained in Exhibit B. BellSouth reserves the right to pursue any and all legal and/or equitable remedies, including appeals of any decisions. If such appeals or challenges result in changes in the discount rates or exclusions and limitations, the parties agree that appropriate modifications to this Agreement will be made promptly to make its terms consistent with the outcome of the appeal.

- 3.2 BSE may purchase resale services from BellSouth for their own use in operating their business. The resale discount will apply to those services under the following conditions:
 - 3.2.1 BSE must resell services to other end users.
 - 3.2.2 BSE must order services through resale interfaces, i. e., the Local Carrier Service Center (LCSC) and/or appropriate Resale Account Teams pursuant to Section 3 of the General Terms and Conditions.
 - 3.2.3 BSE cannot be a competitive local exchange company for the single purpose of selling to themselves.
- 3.3 The provision of services by BellSouth to BSE does not constitute a joint undertaking for the furnishing of any service.
- 3.4 BSE will be the customer of record for all services purchased from BellSouth. Except as specified herein, BellSouth will take orders from, bill and expect payment from BSE for all services.
- 3.5 BSE will be BellSouth's single point of contact for all services purchased pursuant to this Agreement. BellSouth shall have no contact with the end user except to the extent provided for herein.
- 3.6 BellSouth will continue to bill the end user for any services that the end user specifies it wishes to receive directly from BellSouth.
- 3.7 BellSouth maintains the right to serve directly any end user within the service area of BSE. BellSouth will continue to directly market its own telecommunications products and services and in doing so may establish independent relationships with end users of BSE.
- 3.8 Neither Party shall interfere with the right of any person or entity to obtain service directly from the other Party.
- 3.9 Current telephone numbers may normally be retained by the end user. However, telephone numbers are the property of BellSouth and are assigned to the service furnished. BSE has no property right to the telephone number or any other call number designation associated with services furnished by BellSouth, and no right to the continuance of service through any particular central office. BellSouth reserves the right to change such numbers, or the central office designation associated with such numbers, or both, whenever BellSouth deems it necessary to do so in the conduct of its business.

- 3.10 For the purpose of the resale of BellSouth's telecommunications services by BSE, BellSouth will provide BSE with an on line access to telephone numbers for reservation on a first come first serve basis. Such reservations of telephone numbers, on a pre-ordering basis shall be for a period of nine (9) days. BSE acknowledges that there may be instances where there is a shortage of telephone numbers in a particular Common Language Location Identifier Code (CLLIC) and in such instances BellSouth may request that BSE cancel its reservations of numbers. BSE shall comply with such request.

Further, upon BSE's request, and for the purpose of the resale of BellSouth's telecommunications services by BSE, BellSouth will reserve up to 100 telephone numbers per CLLIC, for BSE's sole use. Such telephone number reservations shall be valid for ninety (90) days from the reservation date. BSE acknowledges that there may be instances where there is a shortage of telephone numbers in a particular CLLIC and in such instances BellSouth shall use its best efforts to reserve for a ninety (90) day period a sufficient quantity of BSE's reasonable need in that particular CLLIC.

- 3.11 BellSouth may provide any service or facility for which a charge is not established herein, as long as it is offered on the same terms to BSE.
- 3.12 Service is furnished subject to the condition that it will not be used for any unlawful purpose.
- 3.13 Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.
- 3.14 BellSouth can refuse service when it has grounds to believe that service will be used in violation of the law.
- 3.15 BellSouth accepts no responsibility to any person for any unlawful act committed by BSE or its end users as part of providing service to BSE for purposes of resale or otherwise.
- 3.16 BellSouth will cooperate fully with law enforcement agencies with subpoenas and court orders for assistance with BellSouth's end users. Law enforcement agency subpoenas and court orders regarding end users of BSE will be directed to BSE. BellSouth will bill BSE for implementing any requests by law enforcement agencies regarding BSE end users.
- 3.17 The characteristics and methods of operation of any circuits, facilities or equipment provided by any person or entity other than BellSouth shall not:
- 3.17.1 Interfere with or impair service over any facilities of BellSouth, its affiliates, or its connecting and concurring carriers involved in its service;
 - 3.17.2 Cause damage to BellSouth's plant;
 - 3.17.3 Impair the privacy of any communications; or
 - 3.17.4 Create hazards to any BellSouth employees or the public.
- 3.18 BSE assumes the responsibility of notifying BellSouth regarding less than standard operations with respect to services provided by BSE.
- 3.19 Facilities and/or equipment utilized by BellSouth to provide service to BSE remain the property of BellSouth.

- 3.20 White page directory listings will be provided in accordance with regulations set forth in Section A6 of the General Subscriber Services Tariff and will be available for resale.
- 3.21 BellSouth provides electronic access to customer record information. Access is provided through the Local Exchange Navigation System (LENS) and the Telecommunications Access Gateway (TAG). Customer Record Information includes but is not limited to, customer specific information in CRIS and RSAG. BSE agrees not to view, copy, or otherwise obtain access to the customer record information of any customer without that customer's permission, and further agrees that BSE will obtain access to customer record information only in strict compliance with applicable laws, rules, or regulations of the State in which the service is provided.
- 3.22 All costs incurred by BellSouth to develop and implement operational interfaces shall be recovered from Resellers who utilize the services. Charges for use of Operational Support Systems (OSS) shall be as set forth in Exhibit A of this attachment.
- 3.23 Where available to BellSouth's end users, BellSouth shall provide the following telecommunications services at a discount to allow for voice mail services:
- Simplified Message Desk Interface - Enhanced ("SMDI-E")
 - Simplified Message Desk Interface ("SMDI") Message Waiting Indicator ("MWI") stutter dialtone and message waiting light feature capabilities
 - Call Forward on Busy/Don't Answer ("CF-B/DA")
 - Call Forward on Busy ("CF/B")
 - Call Forward Don't Answer ("CF/DA")
- Further, BellSouth messaging services set forth in BellSouth's Messaging Service Information Package shall be made available for resale without the wholesale discount.
- 3.24 BellSouth's Inside Wire Maintenance Service Plans may be made available for resale at rates, terms and conditions as set forth by BellSouth and without the wholesale discount.
- 3.25 All costs incurred by BellSouth for providing services requested by BSE that are not covered in the BellSouth tariffs shall be recovered from the CLECs who utilize those services.
- 3.26 Recovery of charges associated with implementing Number Portability through monthly charges assessed to end users has been authorized by the FCC. This end user line charge will be billed to Resellers of BellSouth's telecommunications services and will be as filed in FCC No. 1. This charge will not be discounted.

4 **BellSouth's Provision of Services to BSE**

- 4.1 BSE agrees that its resale of BellSouth services shall be as follows:
- 4.1.1 The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.
- 4.1.2 Hotel and Hospital PBX services are the only telecommunications services available for resale to Hotel/Motel and Hospital end users, respectively. Similarly, Access Line Service for Customer Provided Coin Telephones is the only local service available for

resale to Independent Payphone Provider (IPP) customers. Shared Tenant Service customers can only be sold those local exchange access services available in BellSouth's A23 Shared Tenant Service Tariff in the states of Florida, Georgia, North Carolina and South Carolina, and in A27 in the states of Alabama, Kentucky, Louisiana, Mississippi and Tennessee.

- 4.1.3 BellSouth reserves the right to periodically audit services purchased by BSE to establish authenticity of use. Such audit shall not occur more than once in a calendar year. BSE shall make any and all records and data available to BellSouth or BellSouth's auditors on a reasonable basis. BellSouth shall bear the cost of said audit.
- 4.2 Resold services can only be used in the same manner as specified in BellSouth's Tariffs. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual end user of BellSouth in the appropriate section of BellSouth's Tariffs. Specific tariff features, e.g. a usage allowance per month, shall not be aggregated across multiple resold services.
- 4.3 BSE may resell services only within the specific resale service area as defined in its certificate.
- 4.4 Telephone numbers transmitted via any resold service feature are intended solely for the use of the end user of the feature. Resale of this information is prohibited.

5 Maintenance of Services

- 5.1 BSE will adopt and adhere to the standards contained in the applicable CLEC Work Center Operational Understanding Agreement regarding maintenance and installation of service.
- 5.2 Services resold under BellSouth's Tariffs and facilities and equipment provided by BellSouth shall be maintained by BellSouth.
- 5.3 BSE or its end users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by BellSouth, other than by connection or disconnection to any interface means used, except with the written consent of BellSouth.
- 5.4 BSE accepts responsibility to notify BellSouth of situations that arise that may result in a service problem.
- 5.5 BSE will be BellSouth's single point of contact for all repair calls on behalf of BSE's end users. The parties agree to provide one another with toll-free contact numbers for such purposes.
- 5.6 BSE will contact the appropriate repair centers in accordance with procedures established by BellSouth.
- 5.7 For all repair requests, BSE accepts responsibility for adhering to BellSouth's prescreening guidelines prior to referring the trouble to BellSouth.
- 5.8 BellSouth will bill BSE for handling troubles that are found not to be in BellSouth's network pursuant to its standard time and material charges. The standard time and material charges will be no more than what BellSouth charges to its retail customers for the same services.
- 5.9 BellSouth reserves the right to contact BSE's end users, if deemed necessary, for maintenance purposes.

6 Establishment of Service

- 6.1 After receiving certification as a local exchange company from the appropriate regulatory agency, BSE will provide the appropriate BellSouth service center the necessary documentation to enable BellSouth to establish a master account for BSE's resold services. Such documentation shall include the Application for Master Account, proof of authority to provide telecommunications services, an Operating Company Number ("OCN") assigned by the National Exchange Carriers Association ("NECA") and a tax exemption certificate, if applicable. When necessary deposit requirements are met, BellSouth will begin taking orders for the resale of service.
- 6.2 Service orders will be in a standard format designated by BellSouth.
- 6.3 When notification is received from BSE that a current end user of BellSouth will subscribe to BSE's service, standard service order intervals for the appropriate class of service will apply.
- 6.4 BellSouth will not require end user confirmation prior to establishing service for BSE's end user customer. BSE must, however, be able to demonstrate end user authorization upon request.
- 6.5 BSE will be the single point of contact with BellSouth for all subsequent ordering activity resulting in additions or changes to resold services except that BellSouth will accept a request directly from the end user for conversion of the end user's service from BSE to BellSouth or will accept a request from another CLEC for conversion of the end user's service from BSE to the other CLEC. BellSouth will notify BSE that such a request has been processed.
- 6.6 If BellSouth determines that an unauthorized change in local service to BSE has occurred, BellSouth will reestablish service with the appropriate local service provider and will assess BSE as the CLEC initiating the unauthorized change, the unauthorized change charge described in F.C.C. Tariff No. 1, Section 13 or applicable state tariff. Appropriate nonrecurring charges, as set forth in Section A4. of the General Subscriber Service Tariff, will also be assessed to BSE. These charges can be adjusted if BSE provides satisfactory proof of authorization.
- 6.7 In order to safeguard its interest, BellSouth reserves the right to secure the account with a suitable form of security deposit, unless satisfactory credit has already been established.
 - 6.7.1 Such security deposit shall take the form of an irrevocable Letter of Credit or other forms of security acceptable to BellSouth. Any such security deposit may be held during the continuance of the service as security for the payment of any and all amounts accruing for the service.
 - 6.7.2 If a security deposit is required, such security deposit shall be made prior to the inauguration of service.
 - 6.7.3 Such security deposit may not exceed two months' estimated billing.
 - 6.7.4 The fact that a security deposit has been made in no way relieves BSE from complying with BellSouth's regulations as to advance payments and the prompt payment of bills on presentation nor does it constitute a waiver or modification of the regular practices of BellSouth providing for the discontinuance of service for non-payment of any sums due BellSouth.

- 6.7.5 BellSouth 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.
- 6.7.6 In the event that BSE defaults on its account, service to BSE will be terminated and any security deposits held will be applied to its account.
- 6.7.7 Interest on a security deposit shall accrue and be paid in accordance with the terms in the appropriate BellSouth tariff.

7 **Payment And Billing Arrangements**

- 7.1 Prior to submitting orders to BellSouth for local service, a master account must be established for BSE. BSE is required to provide the following before a master account is established: proof of PSC/PUC certification, the Application for Master Account, an Operating Company Number ("OCN") assigned by the National Exchange Carriers Association ("NECA") and a tax exemption certificate, if applicable.
- 7.2 BellSouth shall bill BSE on a current basis all applicable charges and credits.
- 7.3 Payment of all charges will be the responsibility of BSE. BSE shall make payment to BellSouth for all services billed. BellSouth is not responsible for payments not received by BSE from BSE's end user. BellSouth will not become involved in billing disputes that may arise between BSE and its end user. Payments made to BellSouth as payment on account will be credited to an accounts receivable master account and not to an end user's account.
- 7.4 BellSouth will render bills each month on established bill days for each of BSE's accounts.
- 7.5 BellSouth will bill BSE in advance charges for all services to be provided during the ensuing billing period except charges associated with service usage, which will be billed in arrears. Charges will be calculated on an individual end user account level, including, if applicable, any charge for usage or usage allowances. BellSouth will also bill BSE, and BSE will be responsible for and remit to BellSouth, all charges applicable to resold services including but not limited to 911 and E911 charges, telecommunications relay charges (TRS), and franchise fees.
- 7.6 The payment will be due by the next bill date (i.e., same date in the following month as the bill date) and is payable in immediately available funds. Payment is considered to have been made when received by BellSouth.
 - 7.6.1 If the payment due date falls on a Sunday or on a Holiday which is observed on a Monday, the payment due date shall be the first non-Holiday day following such Sunday or Holiday. If the payment due date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the last non-Holiday day preceding such Saturday or Holiday. If payment is not received by the payment due date, a late payment penalty, as set forth in section 7.8 following, shall apply.
 - 7.6.2 If BSE requests multiple billing media or additional copies of bills, BellSouth will provide these at an appropriate charge to BSE.
 - 7.6.3 Billing Disputes

- 7.6.3.1 Each Party agrees to notify the other Party upon the discovery of a billing dispute. In the event of a billing dispute, the Parties will endeavor to resolve the dispute within sixty (60) calendar days of the Bill Date on which such disputed charges appear. Resolution of the dispute is expected to occur at the first level of management resulting in a recommendation for settlement of the dispute and closure of a specific billing period. If the issues are not resolved within the allotted time frame, the following resolution procedure will begin:
- 7.6.3.2 If the dispute is not resolved within sixty (60) days of the Bill Date, the dispute will be escalated to the second level of management for each of the respective Parties for resolution. If the dispute is not resolved within ninety (90) days of the Bill Date, the dispute will be escalated to the third level of management for each of the respective Parties for resolution
- 7.6.3.3 If the dispute is not resolved within one hundred and twenty (120) days of the Bill Date, the dispute will be escalated to the fourth level of management for each of the respective Parties for resolution.
- 7.6.3.4 If a Party disputes a charge and does not pay such charge by the payment due date, such charges shall be subject to late payment charges as set forth in the Late Payment Charges provision of this Attachment. If a Party disputes charges and the dispute is resolved in favor of such Party, the other Party shall credit the bill of the disputing Party for the amount of the disputed charges along with any late payment charges assessed no later than the second Bill Date after the resolution of the dispute. Accordingly, if a Party disputes charges and the dispute is resolved in favor of the other Party, the disputing Party shall pay the other Party the amount of the disputed charges and any associated late payment charges assessed no later than the second bill payment due date after the resolution of the dispute. BellSouth shall only assess interest on previously assessed late payment charges in a state where it has authority pursuant to its tariffs.
- 7.7 Upon proof of tax exempt certification from BSE, the total amount billed to BSE will not include any taxes due from the end user to reflect the tax exempt certification and local tax laws. BSE will be solely responsible for the computation, tracking, reporting, and payment of taxes applicable to BSE's end user.
- 7.8 If any portion of the payment is received by BellSouth after the payment due date as set forth preceding, or if any portion of the payment is received by BellSouth in funds that are not immediately available to BellSouth, then a late payment penalty shall be due to BellSouth. The late payment penalty shall be the portion of the payment not received by the payment due date times a late factor and will be applied on a per bill basis. The late factor shall be as set forth in Section A2 of the General Subscriber Services Tariff and Section B2 of the Private Line Service Tariff.
- 7.9 Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, BellSouth. No additional charges are to be assessed to BSE.
- 7.10 BellSouth will not perform billing and collection services for BSE as a result of the execution of this Agreement. All requests for billing services should be referred to the appropriate entity or operational group within BellSouth.

- 7.11 Pursuant to 47 CFR Section 51.617, BellSouth will bill BSE end user common line charges identical to the end user common line charges BellSouth bills its end users.
- 7.12 In general, BellSouth will not become involved in disputes between BSE and BSE's end user customers over resold services. If a dispute does arise that cannot be settled without the involvement of BellSouth, BSE shall contact the designated Service Center for resolution. BellSouth will make every effort to assist in the resolution of the dispute and will work with BSE to resolve the matter in as timely a manner as possible. BSE may be required to submit documentation to substantiate the claim.

8 Discontinuance of Service

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

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

9 **Line Information Database (LIDB)**

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

10 **RAO Hosting**

- 10.1 The RAO Hosting Agreement is included in this Attachment as Exhibit D. Rates for BellSouth's Centralized Message Distribution System (CMDS) are as set forth in Exhibit H of this Attachment.
- 10.2 BellSouth will provide RAO Hosting upon written request to its Account Manager stating requested activation date.

11 **Optional Daily Usage File (ODUF)**

- 11.1 The Optional Daily Usage File (ODUF) Agreement with terms and conditions is included in this Attachment as Exhibit E. Rates for ODUF are as set forth in Exhibit H of this Attachment.
- 11.2 BellSouth will provide Optional Daily Usage File (ODUF) service upon written request to its Account Manager stating requested activation date.

12 **Enhanced Optional Daily Usage File (EODUF)**

- 12.1 The Enhanced Optional Daily Usage File (EODUF) service Agreement with terms and conditions is included in this Attachment as Exhibit F. Rates for EODUF are as set forth in Exhibit H of this Attachment.
- 12.2 BellSouth will provide Enhanced Optional Daily Usage File (EODUF) service upon written request to its Account Manager stating requested activation date.

APPLICABLE DISCOUNTS

The telecommunications services available for purchase by BSE for the purposes of resale to BSE end users shall be available at the following discount off of the retail rate.

DISCOUNT*

STATE	RESIDENCE	BUSINESS	CSAs**
KENTUCKY	16.79%	15.54%	

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

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

OPERATIONAL SUPPORT SYSTEMS (OSS) RATES

BellSouth has developed and made available the following mechanized systems by which BSE may submit LSRs electronically.

LENS	Local Exchange Navigation System
EDI	Electronic Data Interface
EDI-PC	Electronic Data Interface – Personal Computer
TAG	Telecommunications Access Gateway

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

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

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

DENIAL/RESTORAL OSS CHARGE

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

CANCELLATION OSS CHARGE

BSE will incur an OSS charge for an accepted LSR that is later canceled by BSE.

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

THRESHOLD BILLING PLAN

The Parties agree that BSE will incur the mechanized rate for all LSRs, both mechanized and manual, if the percentage of mechanized LSRs to total LSRs **meets or** exceeds the threshold percentages shown below:

Year	Ratio: Mechanized/Total LSRs
1999	70%
2000	80%
2001	90%

The threshold plan will be discontinued in 2002.

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

**EXCLUSIONS AND LIMITATIONS
ON SERVICES AVAILABLE FOR RESALE**

Type of Service		KY	
		Resale?	Discount?
1	Grandfathered Services (Note 1)	Yes	Yes
2	Contract Service Arrangements	Yes	Yes
3	Promotions - > 90 Days(Note 2)	Yes	Yes
4	Promotions - < 90 Days (Note 2)	No	No
5	Lifeline/Link Up Services	Note 3	Note 3
6	911/E911 Services	Yes	Yes
7	N11 Services	No	No
8	AdWatch SM Svc (See Note 6)	Yes	No
9	MemoryCall [®] Service	Yes	No
10	Mobile Services	Yes	No
11	Federal Subscriber Line Charges	Yes	No
12	Non-Recurring Charges	Yes	Yes
13	End User Line Charge – Number Portability	Yes	No

Applicable Notes:

- 1 **Grandfathered services** can be resold only to existing subscribers of the grandfathered service.
- 2 Where available for resale, **promotions** will be made available only to end users who would have qualified for the promotion had it been provided by BellSouth directly.
- 3 **Lifeline/Link Up** services may be offered only to those subscribers who meet the criteria that BellSouth currently applies to subscribers of these services. In Kentucky, BSE is responsible for funding its own Lifeline and Link Up benefit. BSE is responsible for recovering the Subscriber Line Charge from the National Exchange Carriers Association interstate toll settlement pool just as BellSouth does today. The maximum rate that BSE may charge for Lifeline Service shall be capped at the flat retail rate offered by BellSouth.
- 4 Some of BellSouth's local exchange and toll telecommunications services are not available in certain central offices and areas.
- 5 AdWatchSM Service is tariffed as BellSouth[®] AIN Virtual Number Call Detail Service.

LINE INFORMATION DATA BASE (LIDB) STORAGE AGREEMENT

I. SCOPE

A. This Agreement sets forth the terms and conditions pursuant to which BellSouth agrees to store in its LIDB certain information at the request of BSE and pursuant to which BellSouth, its LIDB customers and BSE shall have access to such information. BSE understands that BellSouth provides access to information in its LIDB to various telecommunications service providers pursuant to applicable tariffs and agrees that information stored at the request of BSE, pursuant to this Agreement, shall be available to those telecommunications service providers. The terms and conditions contained in the attached Addendum(s) are hereby made a part of this Agreement as if fully incorporated herein.

B. LIDB is accessed for the following purposes:

1. Billed Number Screening
2. Calling Card Validation
3. Fraud Control

C. BellSouth will provide seven days per week, 24-hours per day, fraud monitoring on Calling Cards, bill-to-third and collect calls made to numbers in BellSouth's LIDB, provided that such information is included in the LIDB query. BellSouth will establish fraud alert thresholds and will notify BSE of fraud alerts so that BSE may take action it deems appropriate. BSE understands and agrees BellSouth will administer all data stored in the LIDB, including the data provided by BSE pursuant to this Agreement, in the same manner as BellSouth's data for BellSouth's end user customers. BellSouth shall not be responsible to BSE for any lost revenue which may result from BellSouth's administration of the LIDB pursuant to its established practices and procedures as they exist and as they may be changed by BellSouth in its sole discretion from time to time.

BSE understands that BellSouth currently has in effect numerous billing and collection agreements with various interexchange carriers and billing clearing houses. BSE further understands that these billing and

collection customers of BellSouth query BellSouth's LIDB to determine whether to accept various billing options from end users. Additionally, BSE understands that presently BellSouth has no method to differentiate between BellSouth's own billing and line data in the LIDB and such data which it includes in the LIDB on BSE's behalf pursuant to this Agreement. Therefore, until such time as BellSouth can and does implement in its LIDB and its supporting systems the means to differentiate BSE's data from BellSouth's data and the parties to this Agreement execute appropriate amendments hereto, the following terms and conditions shall apply:

(a) BSE agrees that it will accept responsibility for telecommunications services billed by BellSouth for its billing and collection customers for Local Exchange Customer's end user accounts which are resident in LIDB pursuant to this Agreement. BSE authorizes BellSouth to place such charges on BSE's bill from BellSouth and agrees that it shall pay all such charges. Charges for which BSE hereby takes responsibility include, but are not limited to, collect and third number calls.

(b) Charges for such services shall appear on a separate BellSouth bill page identified with the name of the entity for which BellSouth is billing the charge.

(c) BSE shall have the responsibility to render a billing statement to its end users for these charges, but BSE's obligation to pay BellSouth for the charges billed shall be independent of whether BSE is able or not to collect from BSE's end users.

(d) BellSouth shall not become involved in any disputes between BSE and the entities for which BellSouth performs billing and collection. BellSouth will not issue adjustments for charges billed on behalf of an entity to BSE. It shall be the responsibility of BSE and the other entity to negotiate and arrange for any appropriate adjustments.

II. TERM

This Agreement will be effective as of _____, 199__, and will continue in effect for one year, and thereafter may be continued until terminated by either party upon thirty (30) days written notice to the other party.

III. FEES FOR SERVICE AND TAXES

A. BSE will not be charged a fee for storage services provided by BellSouth to BSE, as described in Section I of this Agreement.

B. Sales, use and all other taxes (excluding taxes on BellSouth's income) determined by BellSouth or any taxing authority to be due to any federal, state or local taxing jurisdiction with respect to the provision of the service set forth herein will be paid by BSE. BSE shall have the right to have BellSouth contest with the imposing jurisdiction, at BSE's expense, any such taxes that BSE deems are improperly levied.

IV. INDEMNIFICATION

To the extent not prohibited by law, each party will indemnify the other and hold the other harmless against any loss, cost, claim, injury, or liability relating to or arising out of negligence or willful misconduct by the indemnifying party or its agents or contractors in connection with the indemnifying party's provision of services, provided, however, that any indemnity for any loss, cost, claim, injury or liability arising out of or relating to errors or omissions in the provision of services under this Agreement shall be limited as otherwise specified in this Agreement. The indemnifying party under this Section agrees to defend any suit brought against the other party for any such loss, cost, claim, injury or liability. The indemnified party agrees to notify the other party promptly, in writing, of any written claims, lawsuits, or demands for which the other party is responsible under this Section and to cooperate in every reasonable way to facilitate defense or settlement of claims. The indemnifying party shall not be liable under this Section for settlement by the indemnified party of any claim, lawsuit, or demand unless the defense of the claim, lawsuit, or demand has been tendered to it in writing and the indemnifying party has unreasonably failed to assume such defense.

V. LIMITATION OF LIABILITY

Neither party shall be liable to the other party for any lost profits or revenues or for any indirect, incidental or consequential damages incurred by the other party arising from this Agreement or the services performed or not performed hereunder, regardless of the cause of such loss or damage.

VI. MISCELLANEOUS

A. It is understood and agreed to by the parties that BellSouth may provide similar services to other companies.

B. All terms, conditions and operations under this Agreement shall be performed in accordance with, and subject to, all applicable local, state or federal legal and regulatory tariffs, rulings, and other requirements of the federal courts, the U. S. Department of Justice and state and federal regulatory agencies. Nothing in this Agreement shall be construed to cause either party to violate any such legal or regulatory requirement and either party's obligation to perform shall be subject to all such requirements.

C. BSE agrees to submit to BellSouth all advertising, sales promotion, press releases, and other publicity matters relating to this Agreement wherein BellSouth's corporate or trade names, logos, trademarks or service marks or those of BellSouth's affiliated companies are mentioned or language from which the connection of said names or trademarks therewith may be inferred or implied; and BSE further agrees not to publish or use advertising, sales promotions, press releases, or publicity matters without BellSouth's prior written approval.

D. This Agreement constitutes the entire agreement between BSE and BellSouth which supersedes all prior agreements or contracts, oral or written representations, statements, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof.

E. Except as expressly provided in this Agreement, if any part of this Agreement is held or construed to be invalid or unenforceable, the validity of any other Section of this Agreement shall remain in full force and effect to the extent permissible or appropriate in furtherance of the intent of this Agreement.

F. Neither party shall be held liable for any delay or failure in performance of any part of this Agreement for any cause beyond its control and without its fault or negligence, such as acts of God, acts of civil or military authority, government regulations, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities, or acts or omissions of transportation common carriers.

G. This Agreement shall be deemed to be a contract made under the laws of the State of Georgia, and the construction, interpretation and performance of this Agreement and all transactions hereunder shall be governed by the domestic law of such State.

RESALE ADDENDUM

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

This is a Resale Addendum to the Line Information Data Base Storage Agreement dated _____, 199 __, between BellSouth Telecommunications, Inc. ("BellSouth"), and BellSouth BSE, Inc. ("BSE"), effective the ____ day of _____, 199 __.

I. GENERAL

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

II. DEFINITIONS

- A. Billing number - a number used by BellSouth for the purpose of identifying an account liable for charges. This number may be a line or a special billing number.
- B. Line number - a ten digit number assigned by BellSouth that identifies a telephone line associated with a resold local exchange service, or with a SPNP arrangement.
- C. Special billing number - a ten digit number that identifies a billing account established by BellSouth in connection with a resold local exchange service or with a SPNP arrangement.
- D. Calling Card number - a billing number plus PIN number assigned by BellSouth.
- E. PIN number - a four digit security code assigned by BellSouth which is added to a billing number to compose a fourteen digit calling card number.
- F. Toll billing exception indicator - associated with a billing number to indicate that it is considered invalid for billing of collect calls or third number calls or both, by BSE.
- G. Billed Number Screening - refers to the activity of determining whether a toll billing exception indicator is present for a particular billing number.
- H. Calling Card Validation - refers to the activity of determining whether a particular calling card number exists as stated or otherwise provided by a caller.

I. Billing number information - information about billing number or Calling Card number as assigned by BellSouth and toll billing exception indicator provided to BellSouth by BSE.

III. RESPONSIBILITIES OF PARTIES

A. BellSouth will include billing number information associated with resold exchange lines or SPNP arrangements in its LIDB. BSE will request any toll billing exceptions via the Local Service Request (LSR) form used to order resold exchange lines, or the SPNP service request form used to order SPNP arrangements.

B. Under normal operating conditions, BellSouth shall include the billing number information in its LIDB upon completion of the service order establishing either the resold local exchange service or the SPNP arrangement, provided that BellSouth shall not be held responsible for any delay or failure in performance to the extent such delay or failure is caused by circumstances or conditions beyond BellSouth's reasonable control. BellSouth will store in its LIDB an unlimited volume of the working telephone numbers associated with either the resold local exchange lines or the SPNP arrangements. For resold local exchange lines or for SPNP arrangements, BellSouth will issue line-based calling cards only in the name of BSE. BellSouth will not issue line-based calling cards in the name of BSE's individual end users. In the event that BSE wants to include calling card numbers assigned by BSE in the BellSouth LIDB, a separate agreement is required.

C. BellSouth will provide responses to on-line, call-by-call queries to the stored information for the specific purposes listed in the next paragraph.

D. BellSouth is authorized to use the billing number information to perform the following functions for authorized users on an on-line basis:

1. Validate a 14 digit Calling Card number where the first 10 digits are a line number or special billing number assigned by BellSouth, and where the last four digits (PIN) are a security code assigned by BellSouth.

2. Determine whether BSE has identified the billing number as one which should not be billed for collect or third number calls, or both.

RAO Hosting

- 1 RAO Hosting, Calling Card and Third Number Settlement System (CATS) and Non-Intercompany Settlement System (NICS) services provided to BSE by BellSouth will be in accordance with the methods and practices regularly adopted and applied by BellSouth to its own operations during the term of this Agreement, including such revisions as may be made from time to time by BellSouth.
- 2 BSE shall furnish all relevant information required by BellSouth for the provision of RAO Hosting, CATS and NICS.
- 3 Applicable compensation amounts will be billed by BellSouth to BSE on a monthly basis in arrears. Amounts due from one Party to the other (excluding adjustments) are payable within thirty (30) days of receipt of the billing statement.
- 4 BSE must have its own unique RAO code. Requests for establishment of RAO status where BellSouth is the selected Centralized Message Distribution System (CMDS) interfacing host, require written notification from BSE to the BellSouth RAO Hosting coordinator at least eight (8) weeks prior to the proposed effective date. The proposed effective date will be mutually agreed upon between the Parties with consideration given to time necessary for the completion of required Telcordia (formerly BellCore) functions. BellSouth will request the assignment of an RAO code from its connecting contractor, currently Telcordia (formerly BellCore), on behalf of BSE and will coordinate all associated conversion activities.
- 5 BellSouth will receive messages from BSE that are to be processed by BellSouth, another LEC or CLEC in the BellSouth region or a LEC outside the BellSouth region.
- 6 BellSouth will perform invoice sequence checking, standard EMI format editing, and balancing of message data with the EMI trailer record counts on all data received from BSE.
- 7 All data received from BSE that is to be processed or billed by another LEC or CLEC within the BellSouth region will be distributed to that LEC or CLEC in accordance with the agreement(s) which may be in effect between BellSouth and the involved LEC or CLEC.
- 8 All data received from BSE that is to be placed on the CMDS network for distribution outside the BellSouth region will be handled in accordance with the agreement(s) which may be in effect between BellSouth and its connecting contractor (currently Telcordia (formerly BellCore)).
- 9 BellSouth will receive messages from the CMDS network that are destined to be processed by BSE and will forward them to BSE on a daily basis.
- 10 Transmission of message data between BellSouth and BSE will be via CONNECT:Direct.
- 11 All messages and related data exchanged between BellSouth and BSE will be formatted in accordance with accepted industry standards for EMI formatted records and packed between appropriate EMI header and trailer records, also in accordance with accepted industry standards.
- 12 BSE will ensure that the recorded message detail necessary to recreate files provided to BellSouth will be maintained for back-up purposes for a period of three (3) calendar months beyond the related message dates.

- 13 Should it become necessary for BSE to send data to BellSouth more than sixty (60) days past the message date(s), BSE will notify BellSouth in advance of the transmission of the data. If there will be impacts outside the BellSouth region, BellSouth will work with its connecting contractor and BSE to notify all affected Parties.
- 14 In the event that data to be exchanged between the two Parties should become lost or destroyed, both Parties will work together to determine the source of the problem. Once the cause of the problem has been jointly determined and the responsible Party (BellSouth or BSE) identified and agreed to, the company responsible for creating the data (BellSouth or BSE) will make every effort to have the affected data restored and retransmitted. If the data cannot be retrieved, the responsible Party will be liable to the other Party for any resulting lost revenue. Lost revenue may be a combination of revenues that could not be billed to the end users and associated access revenues. Both Parties will work together to estimate the revenue amount based upon historical data through a method mutually agreed upon. The resulting estimated revenue loss will be paid by the responsible Party to the other Party within three (3) calendar months of the date of problem resolution, or as mutually agreed upon by the Parties.
- 15 Should an error be detected by the EMI format edits performed by BellSouth on data received from BSE, the entire pack containing the affected data will not be processed by BellSouth. BellSouth will notify BSE of the error condition. BSE will correct the error(s) and will resend the entire pack to BellSouth for processing. In the event that an out-of-sequence condition occurs on subsequent packs, BSE will resend these packs to BellSouth after the pack containing the error has been successfully reprocessed by BellSouth.
- 16 In association with message distribution service, BellSouth will provide BSE with associated intercompany settlements reports (CATS and NICS) as appropriate.
- 17 In no case shall either Party be liable to the other for any direct or consequential damages incurred as a result of the obligations set out in this agreement.
- 18 RAO Compensation
- 18.1 Rates for message distribution service provided by BellSouth for BSE are as set forth in Exhibit A to this Attachment.
- 18.2 Rates for data transmission associated with message distribution service are as set forth in Exhibit A to this Attachment .
- 18.3 Data circuits (private line or dial-up) will be required between BellSouth and BSE for the purpose of data transmission. Where a dedicated line is required, BSE will be responsible for ordering the circuit, overseeing its installation and coordinating the installation with BellSouth. BSE will also be responsible for any charges associated with this line. Equipment required on the BellSouth end to attach the line to the mainframe computer and to transmit successfully ongoing will be negotiated on a case by case basis. Where a dial-up facility is required, dial circuits will be installed in the BellSouth data center by BellSouth and the associated charges assessed to BSE. Additionally, all message toll charges associated with the use of the dial circuit by BSE will be the responsibility of BSE. Associated equipment on the BellSouth end, including a modem, will be negotiated on a case by case basis between the Parties.
- 18.4 All equipment, including modems and software, that is required on the BSE end for the purpose of data transmission will be the responsibility of BSE.
- 19 Intercompany Settlements Messages

- 19.1 This Section addresses the settlement of revenues associated with traffic originated from or billed by BSE as a facilities based provider of local exchange telecommunications services outside the BellSouth region. Only traffic that originates in one Bell operating territory and bills in another Bell operating territory is included. Traffic that originates and bills within the same Bell operating territory will be settled on a local basis between BSE and the involved company(ies), unless that company is participating in NICS.
- 19.2 Both traffic that originates outside the BellSouth region by BSE and is billed within the BellSouth region, and traffic that originates within the BellSouth region and is billed outside the BellSouth region by BSE, is covered by this Agreement (CATS). Also covered is traffic that either is originated by or billed by BSE, involves a company other than BSE, qualifies for inclusion in the CATS settlement, and is not originated or billed within the BellSouth region (NICS).
- 19.3 Once BSE is operating within the BellSouth territory, revenues associated with calls originated and billed within the BellSouth region will be settled via Telcordia (formerly BellCore)'s, its successor or assign, NICS system.
- 19.4 BellSouth will receive the monthly NICS reports from Telcordia (formerly BellCore), its successor or assign, on behalf of BSE. BellSouth will distribute copies of these reports to BSE on a monthly basis.
- 19.5 BellSouth will receive the monthly Calling Card and Third Number Settlement System (CATS) reports from Telcordia (formerly BellCore), its successor or assign, on behalf of BSE. BellSouth will distribute copies of these reports to BSE on a monthly basis.
- 19.6 BellSouth will collect the revenue earned by BSE from the Bell operating company in whose territory the messages are billed (CATS), less a per message billing and collection fee of five cents (\$0.05), on behalf of BSE. BellSouth will remit the revenue billed by BSE to the Bell operating company in whose territory the messages originated, less a per message billing and collection fee of five cents (\$0.05), on behalf on BSE. These two amounts will be netted together by BellSouth and the resulting charge or credit issued to BSE via a monthly Carrier Access Billing System (CABS) miscellaneous bill.
- 19.7 BellSouth will collect the revenue earned by BSE within the BellSouth territory from another CLEC also within the BellSouth territory (NICS) where the messages are billed, less a per message billing and collection fee of five cents (\$0.05), on behalf of BSE. BellSouth will remit the revenue billed by BSE within the BellSouth region to CLEC also within the BellSouth region, where the messages originated, less a per message billing and collection fee of five cents (\$0.05). These two amounts will be netted together by BellSouth and the resulting charge or credit issued to BSE via a monthly Carrier Access Billing System (CABS) miscellaneous bill.

BellSouth and BSE agree that monthly netted amounts of less than fifty dollars (\$50.00) will not be settled.

Optional Daily Usage File

1 Upon written request from BSE, BellSouth will provide the Optional Daily Usage File (ODUF) service to BSE pursuant to the terms and conditions set forth in this section.

2 BSE shall furnish all relevant information required by BellSouth for the provision of the Optional Daily Usage File.

3 The Optional Daily Usage Feed will contain billable messages that were carried over the BellSouth Network and processed in the BellSouth Billing System, but billed to a BSE customer.

Charges for delivery of the Optional Daily Usage File will appear on BSEs' monthly bills. The charges are as set forth in Exhibit A to this Attachment.

4 The Optional Daily Usage Feed will contain both rated and unrated messages. All messages will be in the standard Alliance for Telecommunications Industry Solutions (ATIS) EMI record format.

5 Messages that error in the billing system of BSE will be the responsibility of BSE. If, however, BSE should encounter significant volumes of errored messages that prevent processing by BSE within its systems, BellSouth will work with BSE to determine the source of the errors and the appropriate resolution.

6 The following specifications shall apply to the Optional Daily Usage Feed.

6.1 Usage To Be Transmitted

6.1.1 The following messages recorded by BellSouth will be transmitted to BSE:

- message recording for per use/per activation type services (examples: Three Way Calling, Verify, Interrupt, Call Return, ETC.)
- measured billable Local
- Directory Assistance messages
- intraLATA Toll
- WATS & 800 Service
- N11
- Information Service Provider Messages
- Operator Services Messages
- Operator Services Message Attempted Calls (UNE only)
- Credit/Cancel Records
- Usage for Voice Mail Message Service

6.1.2 Rated Incollects (originated in BellSouth and from other companies) can also be on Optional Daily Usage File. Rated Incollects will be intermingled with BellSouth recorded rated and unrated usage. Rated Incollects will not be packed separately.

6.1.3 BellSouth will perform duplicate record checks on records processed to Optional Daily Usage File. Any duplicate messages detected will be deleted and not sent to BSE.

6.1.4 In the event that BSE detects a duplicate on Optional Daily Usage File they receive from BellSouth, BSE will drop the duplicate message (BSE will not return the duplicate to BellSouth).

6.2 Physical File Characteristics

- 6.2.1 The Optional Daily Usage File will be distributed to BSE via an agreed medium with CONNECT:Direct being the preferred transport method. The Daily Usage Feed will be a variable block format (2476) with an LRECL of 2472. The data on the Daily Usage Feed will be in a non-compacted EMI format (175 byte format plus modules). It will be created on a daily basis (Monday through Friday except holidays). Details such as dataset name and delivery schedule will be addressed during negotiations of the distribution medium. There will be a maximum of one dataset per workday per OCN.
- 6.2.2 Data circuits (private line or dial-up) may be required between BellSouth and BSE for the purpose of data transmission. Where a dedicated line is required, BSE will be responsible for ordering the circuit, overseeing its installation and coordinating the installation with BellSouth. BSE will also be responsible for any charges associated with this line. Equipment required on the BellSouth end to attach the line to the mainframe computer and to transmit successfully ongoing will be negotiated on a case by case basis. Where a dial-up facility is required, dial circuits will be installed in the BellSouth data center by BellSouth and the associated charges assessed to BSE. Additionally, all message toll charges associated with the use of the dial circuit by BSE will be the responsibility of BSE. Associated equipment on the BellSouth end, including a modem, will be negotiated on a case by case basis between the parties. All equipment, including modems and software, that is required on BSE end for the purpose of data transmission will be the responsibility of BSE.

6.3 Packing Specifications

- 6.3.1 A pack will contain a minimum of one message record or a maximum of 99,999 message records plus a pack header record and a pack trailer record. One transmission can contain a maximum of 99 packs and a minimum of one pack.
- 6.3.2 The OCN, From RAO, and Invoice Number will control the invoice sequencing. The From RAO will be used to identify to BSE which BellSouth RAO that is sending the message. BellSouth and BSE will use the invoice sequencing to control data exchange. BellSouth will be notified of sequence failures identified by BSE and resend the data as appropriate.

THE DATA WILL BE PACKED USING ATIS EMI RECORDS.

6.4 Pack Rejection

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

6.5 Control Data

BSE will send one confirmation record per pack that is received from BellSouth. This confirmation record will indicate BSE received the pack and the acceptance or rejection of the pack. Pack Status Code(s) will be populated using standard ATIS EMI error codes for packs that were rejected by BSE for reasons stated in the above section.

6.6 Testing

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

Enhanced Optional Daily Usage File

- 1 Upon written request from BSE, BellSouth will provide the Enhanced Optional Daily Usage File (EODUF) service to BSE pursuant to the terms and conditions set forth in this section. EODUF will only be sent to existing ODUF subscribers who request the EODUF option.
- 2 BSE shall furnish all relevant information required by BellSouth for the provision of the Enhanced Optional Daily Usage File.
- 3 The Enhanced Optional Daily Usage File (EODUF) will provide usage data for local calls originating from resold Flat Rate Business and Residential Lines.

Charges for delivery of the Enhanced Optional Daily Usage File will appear on BSEs' monthly bills. The charges are as set forth in Exhibit A to this Attachment.

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

6.1 Usage To Be Transmitted

- 6.1.1 The following messages recorded by BellSouth will be transmitted to BSE:

Customer usage data for flat rated local call originating from BSE end user lines (1FB or 1FR). The EODUF record for flat rate messages will include:

Date of Call
From Number
To Number
Connect Time
Conversation Time
Method of Recording
From RAO
Rate Class
Message Type
Billing Indicators
Bill to Number

- 6.1.2 BellSouth will perform duplicate record checks on EODUF records processed to Optional Daily Usage File. Any duplicate messages detected will be deleted and not sent to BSE.
- 6.1.3 In the event that BSE detects a duplicate on Enhanced Optional Daily Usage File they receive from BellSouth, BSE will drop the duplicate message (BSE will not return the duplicate to BellSouth).

6.2 Physical File Characteristics

- 6.2.1 The Enhanced Optional Daily Usage Feed will be distributed to BSE over their existing Optional Daily Usage File (ODUF) feed. The EODUF messages will be intermingled among BSE's Optional Daily Usage File (ODUF) messages. The EODUF will be a variable block format (2476) with an LRECL of 2472. The data on the EODUF will be in a non-compacted EMI format (175 byte format plus modules). It will be created on a daily basis (Monday through Friday except holidays).
- 6.2.2 Data circuits (private line or dial-up) may be required between BellSouth and BSE for the purpose of data transmission. Where a dedicated line is required, BSE will be responsible for ordering the circuit, overseeing its installation and coordinating the installation with BellSouth. BSE will also be responsible for any charges associated with this line. Equipment required on the BellSouth end to attach the line to the mainframe computer and to transmit successfully ongoing will be negotiated on a case by case basis. Where a dial-up facility is required, dial circuits will be installed in the BellSouth data center by BellSouth and the associated charges assessed to BSE. Additionally, all message toll charges associated with the use of the dial circuit by BSE will be the responsibility of BSE. Associated equipment on the BellSouth end, including a modem, will be negotiated on a case by case basis between the parties. All equipment, including modems and software, that is required on BSE end for the purpose of data transmission will be the responsibility of BSE.

6.3 Packing Specifications

- 6.3.1 A pack will contain a minimum of one message record or a maximum of 99,999 message records plus a pack header record and a pack trailer record. One transmission can contain a maximum of 99 packs and a minimum of one pack.
- 6.3.2 The Operating Company Number (OCN), From Revenue Accounting Office (RAO), and Invoice Number will control the invoice sequencing. The From RAO will be used to identify to BSE which BellSouth RAO that is sending the message. BellSouth and BSE will use the invoice sequencing to control data exchange. BellSouth will be notified of sequence failures identified by BSE and resend the data as appropriate.

THE DATA WILL BE PACKED USING ATIS EMI RECORDS.

BELLSOUTH/BSE RATES
ODUF/EDOUF/CMD5/CNAM

The rates contained within this Exhibit were negotiated as a whole within the negotiations of the terms and conditions contained within the Attachment and each rate, term and condition is interdependent upon the other rates, terms and conditions within this Attachment.		
DESCRIPTION	USOC	KY
ODUF/EDOUF/CMD5		
ODUF: Recording, per message	N/A	\$0.0008611
ODUF: Message Processing, per message	N/A	\$0.0032357
EODUF: Message Processing, per message	N/A	\$0.004
CMD5: Message Processing, per message	N/A	\$0.004
ODUF: Message Processing, per magnetic tape provisioned	N/A	\$55.68
EODUF: Message Processing, per magnetic tape provisioned	N/A	\$47.30
ODUF: Data Transmission (CONNECT:DIRECT), per message	N/A	\$0.0000365
EODUF: Data Transmission (CONNECT:DIRECT), per message	N/A	\$0.0000364
CMD5: Data Transmission (CONNECT:DIRECT), per message	N/A	\$0.001
* Volume and term arrangements are also available.		
NOTES: If no rate is identified in the contract, the rate for the specific service or function will be as set forth in applicable BellSouth tariff or as negotiated by the parties upon request by either party.		

**Amendment No. 1
To Resale Agreement Between
BellSouth Telecommunications, Inc.
and BellSouth BSE, Inc. in the state of Kentucky
Dated September 24, 1999**

Pursuant to this Agreement (the "Amendment"), BellSouth Telecommunications, Inc. ("BellSouth") and BellSouth BSE, Inc. ("BSE") hereinafter referred to collectively as the "Parties" hereby agree to amend that certain Resale Agreement between the Parties dated September 24, 1999. ("Resale Agreement").

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, BellSouth and BSE hereby covenant and agree as follows:

1. Section 20, Notices, of the Resale Agreement is amended to reflect new mailing addresses for BSE as follows:

BellSouth BSE, Inc.

Robert Scheye
VP-Supplier Development & External Affairs
32 Perimeter Center East
Atlanta, GA 30346

Telephone: 770-652-3353
Fax: 770-352-3235

2. The Parties agree that all of the other provisions of the Resale Agreement, dated September 24, 1999, shall remain in full force and effect.
3. The Parties further agree that either or both of the Parties is authorized to submit this Amendment to the Kentucky Public Service Commission or other regulatory body having jurisdiction over the subject matter of this Amendment, 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.

BellSouth Telecommunications, Inc.

BellSouth BSE, Inc.

Signature on File
Signature

Signature on File
Signature

Jerry D. Hendrix
Name

Mario Soto
Name

Sr. Director-Interconnection Services
Title

Director-Business Relations
Title

11/30/1999
Date

11/24/1999
Date

Agreement Between BellSouth Telecommunications, Inc. and BSE Company, Inc. Regarding The Sale of BellSouth Telecommunications Services to BellSouth BSE, Inc. For The Purposes of Resale

THIS AGREEMENT is by and between **BellSouth Telecommunications, Inc.**, ("BellSouth or Company"), a Georgia corporation, and BellSouth BSE, Inc. ("BSE"), a Georgia corporation, and shall be deemed effective as of October 28, 1997.

WITNESSETH

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

WHEREAS, BSE is or seeks to become an alternative local exchange telecommunications company authorized to provide telecommunications services in the state of Kentucky; and

WHEREAS, BSE desires to resell BellSouth's telecommunications services; and

WHEREAS, BellSouth has agreed to provide such services to BSE for resale purposes and pursuant to the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the mutual premises and promises contained herein, BellSouth and BSE do hereby agree as follows:

I. Term of the Agreement

A. The term of this Agreement shall be two years beginning October 28, 1997 and shall apply to all of BellSouth's serving territory as of January 1, 1997 in the state of Kentucky;

B. This Agreement shall be automatically renewed for two additional one year periods unless either party indicates its intent not to renew the Agreement. Notice of such intent must be provided, in writing, to the other party no later than 60 days prior to the end of the then-existing contract period. The terms of this Agreement shall remain in effect after the term of the existing agreement has expired and while a new agreement is being negotiated.

C. The rates pursuant by which BSE is to purchase services from BellSouth for resale shall be at a discount rate off of the retail rate for the telecommunications service. The discount rates shall be as set forth in Exhibit A, attached hereto and incorporated herein by this reference. Such discount shall reflect the costs avoided by BellSouth when selling a service for wholesale purposes.

II. Definition of Terms

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

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

- C.** END USER means the ultimate user of the telecommunications services.
- D.** END USER CUSTOMER LOCATION means the physical location of the premises where an end user makes use of the telecommunications services.
- E.** NEW SERVICES means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.
- F.** OTHER LOCAL EXCHANGE COMPANY (OLEC) means a telephone company certificated by the public service commissions of the Company's franchised area to provide local exchange service within the Company's franchised area.
- G.** RESALE means an activity wherein a certificated OLEC, such as BSE subscribes to the telecommunications services of the Company and then reoffers those telecommunications services to the public (with or without "adding value").
- H.** RESALE SERVICE AREA means the area, as defined in a public service commission approved certificate of operation, within which an OLEC, such as BSE, may offer resold local exchange telecommunications service.

III. General Provisions

- A.** BSE may resell the tariffed local exchange and toll telecommunications services of BellSouth contained in the General Subscriber Service Tariff and Private Line Service Tariff subject to the terms, and conditions specifically set forth herein. Notwithstanding the foregoing, the exclusions and limitations on services available for resale will be as set forth in Exhibit B, attached hereto and incorporated herein by this reference.

BellSouth shall make available telecommunications services for resale at the rates set forth in Exhibit A to this agreement and subject to the exclusions and limitations set forth in Exhibit B to this agreement. It does not however waive its rights to appeal or otherwise challenge any decision regarding resale that resulted in the discount rates contained in Exhibit A or the exclusions and limitations contained in Exhibit B. BellSouth reserves the right to pursue any and all legal and/or equitable remedies, including appeals of any decisions. If such appeals or challenges result in changes in the discount rates or exclusions and limitations, the parties agree that appropriate modifications to this Agreement will be made promptly to make its terms consistent with the outcome of the appeal.

- B.** BSE may purchase resale services from BellSouth for their own use in operating their business. The resale discount will apply to those services under the following conditions:

- 1) BSE must resell services to other end users.
- 2) BSE must order services through resale interfaces, i. e., the LCSC and/or appropriate Resale Account Teams.

3) BSE cannot be an alternative local exchange telecommunications company for the single purpose of selling to themselves.

C. The provision of services by the Company to BSE does not constitute a joint undertaking for the furnishing of any service.

D. BSE will be the customer of record for all services purchased from BellSouth. Except as specified herein, the Company will take orders from, bill and expect payment from BSE for all services.

E. BSE will be the Company's single point of contact for all services purchased pursuant to this Agreement. The Company shall have no contact with the end user except to the extent provided for herein.

F. The Company will continue to bill the end user for any services that the end user specifies it wishes to receive directly from the Company.

G. The Company maintains the right to serve directly any end user within the service area of BSE. The Company will continue to directly market its own telecommunications products and services and in doing so may establish independent relationships with end users of BSE.

H. Neither Party shall interfere with the right of any person or entity to obtain service directly from the other Party.

I. Current telephone numbers may normally be retained by the end user. However, telephone numbers are the property of the Company and are assigned to the service furnished. BSE has no property right to the telephone number or any other call number designation associated with services furnished by the Company, and no right to the continuance of service through any particular central office. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, whenever the Company deems it necessary to do so in the conduct of its business.

J. The Company may provide any service or facility for which a charge is not established herein, as long as it is offered on the same terms to BSE.

K. Service is furnished subject to the condition that it will not be used for any unlawful purpose.

L. Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.

M. The Company can refuse service when it has grounds to believe that service will be used in violation of the law.

N. The Company accepts no responsibility to any person for any unlawful act committed by BSE or its end users as part of providing service to BSE for purposes of resale or otherwise.

O. The Company will cooperate fully with law enforcement agencies with subpoenas and court orders for assistance with the Company's customers. Law enforcement agency subpoenas and court orders regarding end

users of BSE will be directed to BSE. The Company will bill BSE for implementing any requests by law enforcement agencies regarding BSE end users.

P. The characteristics and methods of operation of any circuits, facilities or equipment provided by any person or entity other than the Company shall not:

- 1) Interfere with or impair service over any facilities of the Company, its affiliates, or its connecting and concurring carriers involved in its service;
- 2) Cause damage to their plant;
- 3) Impair the privacy of any communications; or
- 4) Create hazards to any employees or the public.

Q. BSE assumes the responsibility of notifying the Company regarding less than standard operations with respect to services provided by BSE.

R. Facilities and/or equipment utilized by BellSouth to provide service to BSE remain the property of BellSouth.

S. White page directory listings will be provided in accordance with regulations set forth in Section A6 of the General Subscriber Service Tariff and will be available for resale.

T. BellSouth will provide customer record information to BSE provided BSE has the appropriate Letter(s) of Authorization. BellSouth may provide customer record information via one of the following methods: US mail, fax, or by electronic interface. BellSouth will provide customer record information via US mail or fax on an interim basis only.

- 1) BSE agrees to compensate BellSouth for all BellSouth incurred expenditures associated with providing such information to BSE. BSE will adopt and adhere to the BellSouth guidelines associated with each method of providing customer record information.
- 2) All costs incurred by BellSouth to develop and implement operational interfaces shall be recovered from BSE who utilize the services.

U. BellSouth's messaging services may be made available for resale subject to the execution of BellSouth's Messaging Agreement and without the wholesale discount.

V. BellSouth's Inside Wire Maintenance Plans may be made available for resale at rates, terms and conditions as set forth by BellSouth and without the wholesale discount.

IV. BellSouth's Provision of Services to BSE

A. BSE agrees that its resale of BellSouth services shall be as follows:

- 1) The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.
- 2) To the extent BSE is a telecommunications carrier that serves greater than 5 percent of the Nation's presubscribed access lines, BSE shall not jointly market its interLATA services with the telecommunications services purchased from BellSouth pursuant to this Agreement in any of the states covered under this Agreement. For the purposes of this subsection, to jointly market means any advertisement, marketing effort or billing in which the telecommunications services purchased from BellSouth for purposes of resale to customers and interLATA services offered by BSE are packaged, tied, bundled, discounted or offered together in any way to the end user. Such efforts include, but are not limited to, sales referrals, resale arrangements, sales agencies or billing agreements. This subsection shall be void and of no effect for a particular state covered under this Agreement as of February 8, 1999 or on the date BellSouth is authorized to offer interLATA services in that state, whichever is earlier.
- 3) Hotel and Hospital PBX service are the only telecommunications services available for resale to Hotel/Motel and Hospital end users, respectively. Similarly, Access Line Service for Customer Provided Coin Telephones is the only local service available for resale to Independent Payphone Provider (IPP) customers. Shared Tenant Service customers can only be sold those telecommunications services available in the Company's A23 Shared Tenant Service Tariff.
- 4) BSE is prohibited from furnishing both flat and measured rate service on the same business premises to the same subscribers (end users) as stated in A2 of the Company's Tariff except for backup service as indicated in the applicable state tariff Section A3.
- 5) If telephone service is established and it is subsequently determined that the class of service restriction has been violated, BSE will be notified and billing for that service will be immediately changed to the appropriate class of service. Service charges for changes between class of service, back billing, and interest as described in this subsection shall apply at the Company's sole discretion. Interest at a rate as set forth in Section A2 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff for the applicable state, compounded daily for the number of days from the back billing date to and including the date that BSE actually makes the payment to the Company may be assessed.
- 6) The Company reserves the right to periodically audit services purchased by BSE to establish authenticity of use. Such audit shall not occur more than once in a calendar year. BSE shall make any and all records and data available to the Company or the Company's auditors on a reasonable basis. The Company shall bear the cost of said audit.

B. Resold services can only be used in the same manner as specified in the Company's Tariff. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual end user of the Company in the appropriate section of the Company's Tariffs. Specific tariff features, e.g. a usage allowance per month, shall not be aggregated across multiple resold services. Resold services cannot be used to aggregate traffic from more than one end user customer except as specified in Section A23. of the Company's Tariff referring to Shared Tenant Service.

- C.** BSE may resell services only within the specific resale service area as defined in its certificate.
- D.** Telephone numbers transmitted via any resold service feature are intended solely for the use of the end user of the feature. Resale of this information is prohibited.
- E.** No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. BSE is strictly prohibited from any use, including but not limited to sales, marketing or advertising, of any BellSouth name or trademark.

V. Maintenance of Services

- A.** BSE will adopt and adhere to the standards contained in the applicable BellSouth Work Center Interface Agreement regarding maintenance and installation of service.
- B.** Services resold under the Company's Tariffs and facilities and equipment provided by the Company shall be maintained by the Company.
- C.** BSE or its end users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by the Company, other than by connection or disconnection to any interface means used, except with the written consent of the Company.
- D.** BSE accepts responsibility to notify the Company of situations that arise that may result in a service problem.
- E.** BSE will be the Company's single point of contact for all repair calls on behalf of BSE's end users. The parties agree to provide one another with toll-free contact numbers for such purposes.
- F.** BSE will contact the appropriate repair centers in accordance with procedures established by the Company.
- G.** For all repair requests, BSE accepts responsibility for adhering to the Company's prescreening guidelines prior to referring the trouble to the Company.
- H.** The Company will bill BSE for handling troubles that are found not to be in the Company's network pursuant to its standard time and material charges. The standard time and material charges will be no more than what BellSouth charges to its retail customers for the same services.
- I.** The Company reserves the right to contact BSE's customers, if deemed necessary, for maintenance purposes.

VI. Establishment of Service

- A.** After receiving certification as a local exchange company from the appropriate regulatory agency, BSE will provide the appropriate Company service center the necessary documentation to enable the Company

to establish a master account for BSE. Such documentation shall include the Application for Master Account, proof of authority to provide telecommunications services, an Operating Company Number ("OCN") assigned by the National Exchange Carriers Association ("NECA") and a tax exemption certificate, if applicable. When necessary deposit requirements are met, the Company will begin taking orders for the resale of service.

B. Service orders will be in a standard format designated by the Company.

C. When notification is received from BSE that a current customer of the Company will subscribe to BSE's service, standard service order intervals for the appropriate class of service will apply.

D. The Company will not require end user confirmation prior to establishing service for BSE's end user customer. BSE must, however, be able to demonstrate end user authorization upon request.

E. BSE will be the single point of contact with the Company for all subsequent ordering activity resulting in additions or changes to resold services except that the Company will accept a request directly from the end user for conversion of the end user's service from BSE to the Company or will accept a request from another OLEC for conversion of the end user's service from BSE to the other LEC. The Company will notify BSE that such a request has been processed.

F. If the Company determines that an unauthorized change in local service to BSE has occurred, the Company will reestablish service with the appropriate local service provider and will assess BSE as the OLEC initiating the unauthorized change, the unauthorized change charge described in F.C.C. Tariff No. 1, Section 13. Appropriate nonrecurring charges, as set forth in Section A4. of the General Subscriber Service Tariff, will also be assessed to BSE. These charges can be adjusted if BSE provides satisfactory proof of authorization.

G. In order to safeguard its interest, the Company reserves the right to secure the account with a suitable form of security deposit, unless satisfactory credit has already been established.

- 1) Such security deposit shall take the form of an irrevocable Letter of Credit or other forms of security acceptable to the Company. 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.
- 2) If a security deposit is required, such security deposit shall be made prior to the inauguration of service.
- 3) Such security deposit may not exceed two months' estimated billing.
- 4) The fact that a security deposit has been made in no way relieves BSE from complying with the Company'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 the Company providing for the discontinuance of service for non-payment of any sums due the Company.
- 5) The Company 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.

- 6) In the event that BSE defaults on its account, service to BSE will be terminated and any security deposits held will be applied to its account.
- 7) In the case of a cash deposit, interest at a rate as set forth in the appropriate BellSouth tariff shall be paid to BSE during the continuance of the security deposit. Interest on a security deposit shall accrue annually and, if requested, shall be annually credited to BSE by the accrual date.

VII. Payment And Billing Arrangements

A. When the initial service is ordered by BSE, the Company will establish an accounts receivable master account for BSE.

B. The Company shall bill BSE on a current basis all applicable charges and credits.

C. Payment of all charges will be the responsibility of BSE. BSE shall make payment to the Company for all services billed. The Company is not responsible for payments not received by BSE from BSE's customer. The Company will not become involved in billing disputes that may arise between BSE and its customer. Payments made to the Company as payment on account will be credited to an accounts receivable master account and not to an end user's account.

D. The Company will render bills each month on established bill days for each of BSE's accounts.

E. The Company will bill BSE, in advance, charges for all services to be provided during the ensuing billing period except charges associated with service usage, which charges will be billed in arrears. Charges will be calculated on an individual end user account level, including, if applicable, any charges for usage or usage allowances. BellSouth will also bill all charges, including but not limited to 911 and E911 charges, telecommunications relay charges, and franchise fees, to BSE.

F. The payment will be due by the next bill date (i.e., same date in the following month as the bill date) and is payable in immediately available funds. Payment is considered to have been made when received by the Company.

- 1) If the payment due date falls on a Sunday or on a Holiday which is observed on a Monday, the payment due date shall be the first non-Holiday day following such Sunday or Holiday. If the payment due date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the last non-Holiday day preceding such Saturday or Holiday. If payment is not received by the payment due date, a late payment penalty, as set forth in I. following, shall apply.

G. Upon proof of tax exempt certification from BSE, the total amount billed to BSE will not include any taxes due from the end user. BSE will be solely responsible for the computation, tracking, reporting and payment of all federal, state and/or local jurisdiction taxes associated with the services resold to the end user.

H. As the customer of record, BSE will be responsible for, and remit to the Company, all charges applicable to its resold services for emergency services (E911 and 911) and Telecommunications Relay Service (TRS) as well as any other charges of a similar nature.

I. If any portion of the payment is received by the Company after the payment due date as set forth preceding, or if any portion of the payment is received by the Company in funds that are not immediately available to the Company, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the payment due date times a late factor. The late factor shall be as set forth in Section A2 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff.

J. Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, the Company. No additional charges are to be assessed to BSE.

K. The Company will not perform billing and collection services for BSE as a result of the execution of this Agreement. All requests for billing services should be referred to the appropriate entity or operational group within the Company.

L. Pursuant to 47 CFR Section 51.617, the Company will bill BSE end user common line charges identical to the end user common line charges the Company bills its end users.

M. In general, the Company will not become involved in disputes between BSE and BSE's end user customers over resold services. If a dispute does arise that cannot be settled without the involvement of the Company, BSE shall contact the designated Service Center for resolution. The Company will make every effort to assist in the resolution of the dispute and will work with BSE to resolve the matter in as timely a manner as possible. BSE may be required to submit documentation to substantiate the claim.

VIII. Discontinuance of Service

A. The procedures for discontinuing service to an end user are as follows:

- 1) Where possible, the Company will deny service to BSE's end user on behalf of, and at the request of, BSE. Upon restoration of the end user's service, restoral charges will apply and will be the responsibility of BSE.
- 2) At the request of BSE, the Company will disconnect a BSE end user customer.
- 3) All requests by BSE for denial or disconnection of an end user for nonpayment must be in writing.
- 4) BSE will be made solely responsible for notifying the end user of the proposed disconnection of the service.
- 5) The Company will continue to process calls made to the Annoyance Call Center and will advise BSE when it is determined that annoyance calls are originated from one of their end user's locations. The Company shall be indemnified, defended and held harmless by BSE and/or the end user against any claim, loss or damage arising from providing this information to BSE. It is the responsibility of BSE to take the corrective action necessary with its customers who make annoying calls. Failure to do so will result in the Company's disconnecting the end user's service.

B. The procedures for discontinuing service to BSE are as follows:

- 1) The Company reserves the right to suspend or terminate service for nonpayment or in the event of prohibited, unlawful or improper use of the facilities or service, abuse of the facilities, or any other violation or noncompliance by BSE of the rules and regulations of the Company's Tariffs.
- 2) If payment of account is not received by the bill day in the month after the original bill day, the Company may provide written notice to BSE, that additional applications for service will be refused and that any pending orders for service will not be completed if payment is not received by the fifteenth day following the date of the notice. If the Company does not refuse additional applications for service on the date specified in the notice, and BSE's noncompliance continues, nothing contained herein shall preclude the Company's right to refuse additional applications for service without further notice.
- 3) If payment of account is not received, or arrangements made, by the bill day in the second consecutive month, the account will be considered in default and will be subject to denial or disconnection, or both.
- 4) If BSE fails to comply with the provisions of this Agreement, including any payments to be made by it on the dates and times herein specified, the Company may, on thirty days written notice to the person designated by BSE to receive notices of noncompliance, discontinue the provision of existing services to BSE at any time thereafter. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If the Company does not discontinue the provision of the services involved on the date specified in the thirty days notice, and BSE's noncompliance continues, nothing contained herein shall preclude the Company's right to discontinue the provision of the services to BSE without further notice.
- 5) If payment is not received or arrangements made for payment by the date given in the written notification, BSE's services will be discontinued. Upon discontinuance of service on a BSE's account, service to BSE's end users will be denied. The Company will also reestablish service at the request of the end user or BSE upon payment of the appropriate connection fee and subject to the Company's normal application procedures. BSE is solely responsible for notifying the end user of the proposed disconnection of the service.
- 6) If within fifteen days after an end user's service has been denied no contact has been made in reference to restoring service, the end user's service will be disconnected.

IX. Liability

A. The liability of the Company for damages arising out of mistakes, omissions, interruptions, preemptions, delays errors or defects in transmission, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of BSE, or of the Company in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision shall in no event exceed an amount equivalent to the proportionate charge to BSE for the period of service during which such mistake, omission, interruption, preemption, delay, error or defect in transmission or defect or failure in facilities occur. The Company shall not be liable for damage arising out of mistakes, omission, interruptions, preemptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the

service of the Company, (1) caused by customer-provided equipment (except where a contributing cause is the malfunctioning of a Company-provided connecting arrangement, in which event the liability of the Company shall not exceed an amount equal to a proportional amount of the Company billing for the period of service during which such mistake, omission, interruption, preemption, delay, error, defect in transmission or injury occurs), or (2) not prevented by customer-provided equipment but which would have been prevented had Company-provided equipment been used.

B. The Company shall be indemnified and saved harmless by BSE against any and all claims, actions, causes of action, damages, liabilities, or demands (including the costs, expenses and reasonable attorneys' fees, on account thereof) of whatever kind or nature that may be made by any third party as a result of the Company's furnishing of service to BSE.

C. The Company shall be indemnified, defended and held harmless by BSE and/or the end user against any claim, loss or damage arising from the use of services offered for resale involving:

- 1) Claims for libel, slander, invasion of privacy or infringement of copyright arising from BSE's or end user's own communications.
- 2) Claims for patent infringement arising from acts combining or using Company services in connection with facilities or equipment furnished by the end user or BSE.
- 3) All other claims arising out of an act or omission of BSE or its end user in the course of using services.

D. BSE accepts responsibility for providing access for maintenance purposes of any service resold under the provisions of this Tariff. The Company shall not be responsible for any failure on the part of BSE with respect to any end user of BSE.

X. Treatment of Proprietary and Confidential Information

A. Both parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including trade secret information, including but not limited to, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data and like information (hereinafter collectively referred to as "Information"). Both parties agree that all Information shall either be in writing or other tangible format and clearly marked with a confidential, private or proprietary legend, or, when the Information is communicated orally, it shall also be communicated that the Information is confidential, private or proprietary. The Information will be returned to the owner within a reasonable time. Both parties agree that the Information shall not be copied or reproduced in any form. Both parties agree to receive such Information and not disclose such Information. Both parties agree to protect the Information received from distribution, disclosure or dissemination to anyone except employees of the parties with a need to know such Information and which employees agree to be bound by the terms of this Section. Both parties will use the same standard of care to protect Information received as they would use to protect their own confidential and proprietary Information.

B. Notwithstanding the foregoing, both parties agree that there will be no obligation to protect any portion of the Information that is either: 1) made publicly available by the owner of the Information or lawfully

disclosed by a nonparty to this Agreement; 2) lawfully obtained from any source other than the owner of the Information; or 3) previously known to the receiving party without an obligation to keep it confidential.

XI. Resolution of Disputes

Except as otherwise stated in this Agreement, the parties agree that if any dispute arises as to the interpretation of any provision of this Agreement or as to the proper implementation of this Agreement, the parties will petition the applicable state Public Service Commission for a resolution of the dispute. However, each party reserves any rights it may have to seek judicial review of any ruling made by that Public Service Commission concerning this Agreement.

XII. Limitation of Use

The parties agree that this Agreement shall not be proffered by either party in another jurisdiction 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.

XIII. Waivers

Any failure by either party to insist upon the strict performance by the other party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions of this Agreement, and each party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

XIV. Governing Law

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

XV. Arm's Length Negotiations

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

XVI. Notices

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

BellSouth Telecommunications, Inc.

BellSouth BSE, Inc.

CLEC Account Team
3535 Colonnade Parkway
Room E4E1
Birmingham, AL 35243

Robert Scheye
Vice President-Supplier Development & External Affairs
1100 Peachtree Street, N.E.
Atlanta, GA 30309

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

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

XVII. Amendments

This Agreement may be amended at any time upon written agreement of both parties.

XVIII. Entire Agreement

This Agreement sets forth the entire understanding and supersedes prior agreements between the parties relating to the subject matter contained herein and merges all prior discussions between them, and neither party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the party to be bound thereby.

BellSouth Telecommunications, Inc.

BellSouth BSE , Inc.

BY: _____
Jerry D. Hendrix

BY: _____
Mario Soto

TITLE: Director-Interconnection Services

**TITLE: Vice President-Supplier Development &
External Affairs**

DATE: _____

DATE: _____

EXHIBIT "A"

APPLICABLE DISCOUNTS

The telecommunications services available for purchase by BSE for the purposes of resale to BSE end users shall be available at the following discount off of the retail rate.

DISCOUNT

<u>STATE</u>	<u>RESIDENCE</u>	<u>BUSINESS</u>
ALABAMA	17%	17%
FLORIDA	21.83%	16.81%
GEORGIA	20.3%	17.3%
KENTUCKY	16.79%	15.54%
LOUISIANA*	20.72%	20.72%
MISSISSIPPI	15.75%	15.75%
NORTH CAROLINA	21.5%	17.6%
SOUTH CAROLINA	14.8%	14.8%
TENNESSEE**	16%	16%

* Effective as of the Commission's Order in Louisiana Docket No. U-22020 dated November 12, 1996.

** The Wholesale Discount is set as a percentage off the tariffed rates. If OLEC provides its own operator services and directory services, the discount shall be 21.56%. These rates are effective as of the Tennessee Regulatory Authority's Order in Tennessee Docket No. 90-01331 dated January 17, 1997.

EXHIBIT B

Type of Service		AL		FL		GA		KY		LA	
		Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1	Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Contract Service Arrangements	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Note 5	Note 5
3	Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Promotions - < 90 Days	Yes	No	Yes	No	Yes	No	No	No	Yes	No
5	Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
6	911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
7	N11 Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
8	AdWatch SM (See Note 8)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	MemoryCall [®]	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10	Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
11	Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
12	Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Type of Service		MS		NC		SC		TN	
		Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1	Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Contract Service Arrangements	Note 5	Note 5	Note 6	Yes	Yes	No	Yes	Yes
3	Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 3
4	Promotions - < 90 Days	Yes	No	No	No	Yes	No	No	No
5	Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 4
6	911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	N11 Services	No	No	No	No	Yes	Yes	Yes	Yes
8	AdWatch SM (See Note 8)	Yes	No	Yes	No	Yes	No	Yes	No
9	MemoryCall [®]	Yes	No	Yes	No	Yes	No	Yes	No
10	Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No
11	Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No
12	Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No

Additional Comments:

- 1 **Grandfathered services** can be resold only to existing subscribers of the grandfathered service.
- 2 Where available for resale, **promotions** will be made available only to end users who would have qualified for the promotion had it been provided by BellSouth directly.
- 3 In Tennessee, long-term **promotions** (offered for more than ninety (90) days) may be obtained at one of the following rates:
 - (a) the stated tariff rate, less the wholesale discount;
 - (b) the promotional rate (the promotional rate offered by BellSouth will not be discounted further by the wholesale discount rate)
- 4 **Lifeline/Link Up** services may be offered only to those subscribers who meet the criteria that BellSouth currently applies to subscribers of these services. In Tennessee, BSE shall purchase BellSouth's Message Rate Service at the stated tariff rate, less the wholesale discount. BSE must further discount the wholesale Message Rate Service to LifeLine customers with a discount which is no less than the minimum discount that BellSouth now provides. BSE is responsible for recovering the Subscriber Line Charge from the National Exchange Carriers Association interstate toll settlement pool just as BellSouth does today. The maximum rate that BSE may charge for LifeLine Service shall be capped at the flat retail rate offered by BellSouth.
- 5 In Louisiana and Mississippi, all **Contract Service Arrangements** entered into by BellSouth or terminating after the effective date of the Commission Order will be subject to resale without the wholesale discount. All CSAs which are in place as of the effective date of the Commission order will not be eligible for resale.
- 6 In North Carolina, only those **Contract Service Arrangements** entered into after April 15, 1997 will be available for resale.
- 7 Some of BellSouth's local exchange and toll telecommunications services are not available in certain central offices and areas.
- 8 AdWatchSM is tariffed as BellSouth[®] AIN Virtual Number Call Detail Service

AMENDMENT TO
RESALE AGREEMENT BETWEEN
BELLSOUTH TELECOMMUNICATIONS, INC.
AND BellSouth BSE, Inc.
DATED October 28, 1997

Pursuant to this Agreement (the "Amendment"), BellSouth Telecommunications, Inc. ("BellSouth or Company") and BellSouth BSE, Inc. ("BSE") hereinafter referred to collectively as the "Parties" hereby agree to amend that certain Resale Agreement between the Parties dated October 28, 1997 ("Resale Agreement").

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, BellSouth and BSE hereby covenant and agree as follows:

1. The parties hereby agree that Section III of the Resale Agreement is amended by adding the following sentence as Sub-Section W at the end of Section III:

CLEC shall be responsible for providing BellSouth with complete and accurate data for submission to the 911/E911 database for the purpose of providing 911/E911 to its end users.

2. The parties hereby agree that Section VIII.A of the Resale Agreement is amended by inserting the following sentence as Sub-Section A.6 at the end of Section VIII.A

BellSouth may disconnect and reuse facilities when the facility is in a denied state and BellSouth has received an order to establish new service or transfer of service from a customer or a customer's CLEC at the same address served by the denied facility.

3. The Parties agree that all of the other provisions of the Resale Agreement, dated October 28, 1997, shall remain in full force and effect.
4. The Parties further agree that either or both of the Parties is authorized to submit this Amendment to the appropriate Commission or other regulatory body having jurisdiction over the subject matter of this Amendment, 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.

BELLSOUTH TELECOMMUNICATIONS,

By: Original Signature on File
Jerry D. Hendrix - Director

DATE: 10/19/98

BellSouth BSE, Inc.

By: Original Signature on File

DATE: 10/28/98