

**LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
RESALE AGREEMENT**

Dated as of _____, 1999

by and between

CINCINNATI BELL TELEPHONE COMPANY

and

NOW COMMUNICATIONS, INC.

for

KENTUCKY

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LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES RESALE AGREEMENT

This Local Exchange Telecommunications Services Resale Agreement (“**Agreement**”), is effective as of the ____ day of _____ 1999 (the “**Effective Date**”), by and between Cincinnati Bell Telephone Company, an Ohio corporation with offices at 201 E. Fourth Street, Cincinnati, Ohio 45201 (“**CBT**”), and NOW Communications, Inc., a Mississippi corporation, with offices at 1695 High Street, Suite B, Jackson, Mississippi 39202 (“**NOW**”).

RECITALS

A. CBT is an Incumbent Local Exchange Carrier, as defined by the Act, authorized to provide certain Telecommunications Services within the state of Kentucky, more particularly described as the Kentucky portion of LATA 922.

B. CBT is engaged in the business of providing, among other things, local Telephone Exchange Service within Kentucky.

C. NOW has been granted authority to provide certain local Telephone Exchange Services within the areas of Kentucky where it intends to provide services pursuant to this Agreement and is a Local Exchange Carrier as defined by the Act.

NOW, THEREFORE, in consideration of the promises and the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, NOW and CBT hereby agree as follows:

ARTICLE I DEFINITIONS AND CONSTRUCTION

1.1 Structure. This Agreement includes certain Exhibits and Schedules that immediately follow this Agreement, all of which are hereby incorporated in this Agreement by this reference and constitute a part of this Agreement.

1.2 Defined Terms. Capitalized terms used in this Agreement shall have the respective meanings specified in Schedule 1.2 or as defined elsewhere in this Agreement or the Act.

1.3 Interpretation

(a) The definitions in Schedule 1.2 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “**include**,” “**includes**” and “**including**” shall be deemed to be followed by the phrase “**without limitation**”. The words “**shall**” and “**will**” are used interchangeably throughout this Agreement, and the use of either connotes a mandatory requirement. The use of one or the other shall not mean a different degree or right or obligation for either Party.

(b) References herein to Articles, Sections, Exhibits and Schedules shall be deemed to be references to Articles and Sections of, and Exhibits and Schedules to, this Agreement, unless the context shall otherwise require.

(c) The headings of the Articles, Sections, Exhibits and Schedules are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

1.4 Joint Work Product. This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms, and, in the event of any ambiguities, no inferences shall be drawn against either Party.

ARTICLE II RESALE AT WHOLESALE RATES; RESALE AT RETAIL RATES

2.1 Telecommunications Services Available for Resale at Wholesale Rates. Commencing on the date on which the Commission approves this Agreement, and subject to the terms, conditions and limitations set forth in this Agreement, including Section 15.1, at the request of NOW, CBT will make available to NOW for resale at wholesale rates those Telecommunications Services that CBT provides at retail to subscribers who are not Telecommunications Carriers, (“**Wholesale Resale Services**”). The Wholesale Resale Services shall be made available to NOW at the rates set forth in **Schedule 2.1**.

2.2 Other Services. CBT may, at its sole discretion, make available to NOW under this Agreement services other than Telecommunications Services for resale at rates, terms and conditions agreed upon by the Parties.

2.3 Limitations on Availability of Wholesale Resale Services. The following limitations shall apply to Wholesale Resale Services:

2.3.1 Any Telecommunications Services that CBT offers to existing retail subscribers, but not to new subscribers (“**Grandfathered Services**”), are listed on **Schedule 2.3.1**. **Schedule 2.3.1** may be revised or supplemented from time to time to include those additional services that CBT may, at its discretion and to the extent permitted by Applicable Law, classify as Grandfathered Services. CBT agrees to make Grandfathered Services available to NOW for resale to any Customer of CBT that subscribes to a Grandfathered Service from CBT at the time of its selection of NOW as its primary local exchange carrier. If a local Telecommunications Service is subsequently classified as a Grandfathered Service by CBT, CBT agrees to continue to sell such Grandfathered Service (subject to the terms of **Section 2.3.2**) to NOW for resale to NOW's Customers that subscribe to such Grandfathered Service at the time it is so classified by CBT.

2.3.2 Any Telecommunications Services that CBT currently intends to discontinue offering to any retail subscriber (“**Scheduled to be Withdrawn Services**”) are set forth on **Schedule 2.3.2**. **Schedule 2.3.2** may be revised or supplemented from time to time to

include those additional Telecommunications Services that CBT may, to the extent permitted by Applicable Law, classify as Withdrawn Services. CBT agrees to make Withdrawn Services available to NOW for resale to NOW's Customers who are subscribers to the Withdrawn Service either from CBT or NOW at the time so classified (subject to the provisions of **Section 2.3.1**, if such Withdrawn Service was previously classified as a Grandfathered Service) until the date such service is discontinued.

2.3.3 Each Party acknowledges that Wholesale Resale Services shall be available to NOW on the same basis as offered by CBT to itself or to any subsidiary, affiliate or any other person to which CBT directly provides the Wholesale Resale Services, including CBT's retail Customers and other resellers of CBT's Telecommunications Services (i) only in those service areas in which such Wholesale Resale Services (or any feature or capability thereof) are offered by CBT to itself or to any subsidiary, affiliate or any other person, including CBT's retail Customers, and (ii) to the same extent as CBT's retail Telecommunications Services are subject to the availability of facilities.

2.4 Additional Charges for Wholesale Resale Services. In addition to the rates set forth in the Pricing Schedule, NOW shall pay CBT (i) for any applicable charges or fees incident to the establishment or provision of the Wholesale Resale Services requested by NOW, including channel charges, initial non-recurring charges and construction charges, and (ii) the applicable non-discounted end user common line charge, as set forth in F.C.C. No. 35, Section 4, as well as any other non-discounted end-user charges which may be set forth in Commission regulations (e.g., end-user 911 charge and PIC Change Charge)

2.5 Restrictions on Wholesale Resale Services.

2.5.1 NOW may not offer Wholesale Resale Services that are made available only to residential Customers or to a limited class of residential Customers to classes of Customers that are not eligible to subscribe to such services from CBT. The same restrictions which apply to CBT's Retail Services will also apply to those same services when offered for resale.

2.5.2 CBT promotions shall only be available for resale on the following terms: (i) promotions lasting ninety (90) days or less ("Short-Term Promotions") will not be available for resale at the wholesale discounted rate, (ii) the underlying services of Short-Term Promotions will be available for resale at the tariffed rate less the wholesale discount, and (iii) after the first ninety (90) days a long-term promotion is in effect within a one-year period, long-term promotions will be available for resale at the promotional rate less the wholesale discount.

2.5.3 Notwithstanding, **Sections 2.1** and **2.2**, the following provisions apply to the resale of certain services:

- (a) **Individual Customer Contracts.** If the underlying services in an individual customer contract are contained in CBT's tariff, NOW may purchase those services only at the wholesale discount off the tariffed price. Customer contracts will be available for resale at the contract rate with no discount applied if the underlying services are not contained in CBT's tariff.

(b) **Means-Tested Service.** Means-tested services shall be available for resale only to those customers that qualify for such service. Each carrier will be responsible for funding its own Link-Up benefit and is responsible for applying to NECA to receive compensating funds as CBT currently does.

(c) **Mandated Discounts.** As to any specific discount that CBT is mandated to offer, CBT is not be obliged to offer the mandated discounted service at the mandated discount rate less any wholesale discount. The underlying services will be made available at the tariffed rates less the wholesale discount rate.

In the case of promotional offerings, during the first ninety (90) days the same promotion is in effect within a one-year period, NOW may only obtain the Telecommunications Services that are a part of the promotion at the applicable resale discount percentage off the regular tariff price for such services. Non-Telecommunications Services shall be available only as agreed pursuant to **Section 2.2**. For promotions that are in effect for more than ninety (90) cumulative days within a one-year period, NOW may obtain the promotional offering at the applicable discount percentage off the promotional price after the first ninety (90) days the promotion is in effect within a one-year period.

2.5.4 The Parties agree that applicable access charges, as established pursuant to methodologies approved by the FCC and/or the Commission, shall apply to Wholesale Resale Services and shall be collected and retained by CBT.

2.5.5 As provided in the Act, NOW may not purchase Wholesale Resale Services unless such services are resold to a person other than NOW. To the extent CBT allows another CBT subsidiary or affiliate to use CBT's resold services, NOW may, at its option, purchase from CBT, at wholesale rates, all Telecommunications Services available for resale under the Act and resell at retail rates such Services to its affiliates pursuant to the terms and conditions of this Agreement.

2.5.6 CBT may impose additional restrictions on NOW's sale of Wholesale Resale Services only as permitted by the Act, the Commission or the FCC.

2.6 New Wholesale Resale Services; Changes in Provision of Wholesale Resale Services. CBT shall notify NOW, via tariff filings, of any changes in the terms and conditions under which CBT offers Wholesale Resale Services, including the introduction of any new features, functions, services or promotions.

2.7 Operations Support Systems Functions. CBT shall provide NOW, upon NOW's request, nondiscriminatory access to CBT's Operations Support Systems functions for pre-ordering, ordering, provisioning, maintenance and repair, and billing in accordance with the terms and schedules established in the Public Utilities Commission of Ohio's Arbitration Award in Case No. 97-152-TP-ARB, August 14, 1997. If CBT makes changes for access to Operations Support Systems functions that affect the operations of NOW, CBT shall provide reasonable advance written notice of such change to NOW within such time period as determined by the FCC or the Commission and their respective rules and regulations.

2.8 Nondiscriminatory Provision of Wholesale Resale Services.

2.8.1 Wholesale Resale Services made available by CBT for resale hereunder shall be equal in quality to that provided by CBT to itself or to any subsidiary, affiliate or any other person to which CBT directly provides the Resale Service, including CBT's retail Customers.

2.8.2 CBT shall provision Wholesale Resale Services with the same timeliness that such Wholesale Resale Services are provisioned to CBT's subsidiaries, affiliates or other persons to whom CBT directly provides the Resale Service, including CBT's retail Customers.

2.8.3 CBT shall provide to NOW equivalent functionality of blocking calls (e.g., 700 and 900) and Billed Number Screening (BNS), including necessary LIDB updates, or equivalent service for blocking completion of bill-to-third party and collect calls to the extent that such functionalities are provided to CBT's retail Customers.

2.9 Resale Standard Intervals.

2.9.1 CBT shall provide Wholesale Resale Services to NOW in accordance with the standard interval guidelines in **Schedule 2.9.**

2.10 Branding.

2.10.1 If Operator Call Completion or Directory Assistance Service is a feature of an offered Resale Service, then CBT shall unbrand or rebrand such features of such offered Resale Service as requested by NOW for NOW's Customers. If CBT demonstrates to the Commission that it cannot comply with NOW's rebranding request, the parties may propose to the Commission, for its approval, an alternative solution (e.g., unbranding).

2.10.2 Upon NOW's request, CBT shall make available to NOW the ability to route:

- (i) Local Directory Assistance calls dialed by NOW's Customers directly to NOW's Directory Assistance Services platform, to the extent such routing is technically feasible; and
- (ii) Local Operator Services calls dialed by NOW's Customers directly to NOW's Local Operator Services platform. Such traffic shall be routed over trunk groups between CBT End Offices and NOW's Local Operator Services platform, using standard Operator Services dialing protocols of 0-, to the extent such routing is technically feasible.

To the extent technically feasible, all direct routing capabilities described in this **Section 2.2.2** shall permit NOW's Customers to dial the same telephone numbers for CBT Directory Assistance and Local Operator Service that similarly situated CBT Customers dial for reaching equivalent CBT services. It is NOW's responsibility to select the initial Local Operator Services/Local Directory Assistance provider for Wholesale Resale Services. Also, a minimum of ninety (90) days advance notice must be provided if NOW wishes to change the initial selection.

2.10.3 Notwithstanding anything to the contrary in this Agreement, the Parties agree that CBT shall have no obligation to unbrand or rebrand its service technicians or trucks, any customer premises equipment, other customer-owned facilities or its outside plant.

2.10.4 NOW shall not, without CBT's prior written consent, offer any Resale Service to any Customer under any brand name of CBT, its subsidiaries or its affiliates, nor shall NOW state or imply that there is any joint business association or any similar arrangement with CBT in the provision of Resale Service to NOW's Customers, except to the extent NOW deems it necessary to advise its Customers that CBT's personnel will perform work on behalf of NOW under this Agreement or that some facilities used in provisioning service are owned and maintained by CBT; provided, however, NOW shall make no disparaging statements about such facilities or services.

2.10.5 In those instances where NOW requires CBT personnel to interface directly with NOW's Customers, either orally in person, by telephone, or in writing, such personnel shall identify themselves as CBT's employees performing work for NOW.

2.10.6 CBT shall identify any service call materials, including "no access" cards and time-and-materials invoices furnished during service calls by CBT personnel to NOW's Customers by using preprinted cards or stickers provided by NOW, that contain NOW's name/logo, NOW's address, and NOW's customer service telephone number.

2.10.7 In no event shall CBT personnel acting on behalf of NOW pursuant to this Agreement provide information to any existing NOW Customer about CBT products or services, unless mutually agreed in writing by the Parties, or disparage NOW and/or NOW service or products. Upon an inquiry initiated by the customer, CBT personnel may refer the customer to CBT's business office.

2.10.8 NOW shall pay CBT's costs, if any, pursuant to the pricing standard in Section 252(d)(1) of the Act and in such amounts or levels as determined by the Commission for providing any requested branding under this **Section 2.10**.

2.11 Primary Local Exchange and Interexchange Carrier Selections.

2.11.1 The Parties shall apply all of the principles set forth in 47 C.F.R. § 64.1100 to the process for Customer selection of a primary local exchange carrier. CBT shall not require a disconnect order from a NOW Customer or another LEC in order to process a NOW order for Resale Service for a NOW Customer. CBT shall advise NOW whenever a NOW Customer has selected another primary local exchange carrier by giving notice within twenty-four (24) hours of the change being provisioned by CBT. Until the FCC or the Commission adopts final rules and procedures regarding selection of a primary local exchange carrier, NOW shall deliver to CBT a representation of authorization in the form set forth on **Schedule 2.11.1** that applies to all orders submitted by NOW under this Agreement that require a primary local exchange carrier change. Such representation of authorization shall be delivered to CBT prior to the first order submitted by NOW hereunder. NOW shall retain on file all

applicable Documentation of Authorization (as defined in **Schedule 2.11.1**), including letters of agency or any other method permitted by Applicable Law relating to the Customer's selection of NOW as its primary local exchange carrier. Such documentation shall be available for inspection by a Party or the Commission at its request during Normal Business Hours, when such documentation is at issue.

2.11.2 Carrier Selection Disputes. If any disputes should occur concerning the selection of primary local exchange carriers by the Customers of a Party, the following dispute escalation procedures shall be followed:

(a) If a Customer denies authorizing a change in his or her primary local exchange carrier selection to a different LEC ("Unauthorized Switching"), the party that initiated the change shall switch that Customer back to the specified Carrier. In the case of unauthorized changes of any Customers to another LEC, the Parties shall follow any Kentucky Public Service Commission Guideline or Regulation in existence and, in any event, shall cooperate to switch the customer back to the specified carrier.

(b) If CBT reports or otherwise provides information on unauthorized primary local exchange carrier changes to the FCC, the Commission or any other governmental entity, CBT agrees to report on NOW unauthorized primary local exchange carrier changes separately from unauthorized PIC changes.

(c) The Parties agree that in the event that either (i) the Resale Tariff is withdrawn by CBT or materially revised or (ii) there is no other Applicable Law relating to Local Exchange Carrier selection disputes, they will promptly meet and negotiate in good faith a revised procedure for resolving carrier selection disputes. If the Parties are unable to agree upon such revised procedure within thirty (30) days of a Party's request to commence the negotiations, the dispute resolution procedures set forth in Section 14.3 will be implemented.

2.11.3 When CBT receives an order for Resale Service from NOW for NOW's Customer and CBT currently provides resale local exchange Telecommunications Services to another carrier ("**Carrier of Record**") for the same Customer, CBT shall notify such Carrier of Record of such order coincident with processing the order. It shall then be the responsibility of the Carrier of Record and NOW to resolve any issues related to that Customer. NOW agrees to indemnify and hold CBT harmless against any and all Losses that may result from CBT acting under this **Section 2.11.3** to change a Customer to NOW at NOW's direction, if such order is demonstrated to be an Unauthorized Switch.

2.11.4 When notified by NOW or through the Customer Access Record Exchange system (CARE) that a Customer has changed its primary interexchange carrier ("**PIC**") selection only from one IXC to another IXC, CBT shall only provision the PIC change. CBT may modify its process to conform with industry-accepted standards and shall conform with the requirements of the FCC or the Commission. CBT shall bill NOW, not the end-user customer, for the non-discounted PIC change charge.

2.12 Functionality Required To Support Wholesale Resale Service.

2.12.1 Directory Listing Requirements. CBT shall make available to NOW for NOW Customers directory listings in accordance with the provisions of **Article III**.

2.12.2 LEC-Assigned Telephone Calling Card Numbers. Should CBT during the term of this agreement provide LEC assigned telephone calling card numbers, effective thirty (30) days after the date of a Customer's subscription to NOW's service, CBT will block the LEC-assigned telephone line calling card number Line Identification Database (“**LIDB**”), unless otherwise agreed to by the parties.

2.12.3 Special Services. If CBT makes a notation on the Customer Service Records (CSR) of Customers who qualify for certain services available to physically challenged individuals (e.g., special discounts) (“**Special Services**”), CBT shall provide such data to NOW on the CSR made available to CBT for its Customers. For usage by a NOW Customer of a Telephone Relay Service, CBT will provide NOW with all billing information furnished to CBT by the provider of the Telephone Relay Service.

2.12.4 Law Enforcement Interfaces. Interfaces with law enforcement agencies and other security matters shall be conducted as specified in **Schedule 2.12.4**.

2.12.5 CBT shall cooperate with NOW to ensure the continued provision of appropriate services necessary to serve TTY/TDD customers when migrating from one carrier to another.

2.13 Service Functions.

2.13.1 Point of Contact for Resale Purchase Customer.

(a) Primary Point of Contact. Except as otherwise provided in this Agreement, NOW shall be the primary point of contact for all NOW Customers.

(b) Service Referrals. CBT shall refer all questions from any NOW resale Customer regarding any NOW service or product directly to NOW. CBT shall use its best efforts so that all CBT representatives who receive such inquiries regarding NOW services do not in any way disparage or discriminate against NOW or its products or services.

2.13.2 Access To Operations Support Systems Functions – Provisioning.

(a) Pre-Ordering, Ordering and Provisioning. CBT will provide an electronic interface for the transfer and receipt of data necessary to perform the pre-ordering, ordering and provisioning functions (e.g., order entry, telephone number selection and due date selection) associated with some Wholesale Resale Services. The interface will be administered through gateways that will serve as points of contact for the transmission of such data. These gateways will provide for equivalent functionality for pre-ordering, ordering and provisioning (as such items are defined in this **Section 2.13.2**) as CBT uses in its provision of retail services for the above functions. The interface will be consistent with the Alliance for Telecommunications Industry Solutions (ATIS), Telecommunications Industry Forum (TCIF), Electronic Data Interchange (EDI) Customer Service Guideline,

issue 7, (LSOG Version 1.0), and provide the functionality described in **Schedule 2.13.2.**

(b) Service Ordering and Provisioning. Service Orders will be placed by NOW and provisioned by CBT in accordance with the procedures described in this **Section 2.13.** Any Service Order activity resulting in primary local exchange carrier changes will comply with the requirements of 47 C.F.R. § 64.1100.

(c) Provisioning Support. CBT shall provide provisioning support to NOW on the same basis CBT provides to its retail Customers. Provisioning support may be expanded as mutually agreed by the Parties.

(d) Requests for Service Changes. Where CBT provides installation, CBT's representatives shall inform a NOW Customer to contact NOW if such Customer requests a service change at the time of installation.

(e) Non-Interruption of Service. Except as specifically provided in this Agreement or pursuant to an order of a court or commission of competent jurisdiction, CBT may not initiate any disconnect, suspension or termination of a NOW Customer's Resale Service, unless directed to do so by NOW by transmission of a Service Order or CBT's receipt of proper authorization to change such Customer's primary local exchange carrier to a carrier other than NOW .

2.13.3 Access to Operations Support Systems Functions – Maintenance.

(a) Maintenance and Repair. CBT will provide an electronic interface for the transfer and receipt of data necessary to perform the maintenance and repair functions (e.g., trouble receipt and trouble status). This interface will be administered through gateways that will serve as points of contact for the transmission of such data. These gateways will provide for equivalent functionality for maintenance and repair (as such items are defined in this **Section 2.13.3**) as CBT uses for maintenance and repair of its retail services.

(b) Maintenance. Maintenance will be provided by CBT in accordance with the requirements set forth in **Sections 2.7** and **2.8** and **Schedule 2.13.**

2.14 Responsibilities of NOW.

2.14.1 NOW shall be responsible for providing to its Customers and to CBT a telephone number or numbers that NOW's Customers can use to contact NOW in the event of service or repair requests. If NOW's Customers contact CBT with regard to such requests, CBT shall inform such Customers that they should call NOW and will provide NOW's contact number to such Customers.

2.14.2 NOW shall provide CBT with accurate and complete information regarding NOW's Customers in a method reasonably prescribed by CBT to allow CBT to keep its Emergency Telephone Number Service database updated, if CBT maintains such a database.

2.14.3 Prior to the Effective Date, NOW shall have received and communicated to CBT its Carrier Identification Code and its Access Carrier Name Abbreviation or Interexchange Access Customer Code and its Operating Company Number.

2.14.4 NOW shall initially select the manner in which it will provide Local Operator Services (OS)/ Local Directory Assistance (DA) to its customers and provide CBT ninety (90) days advance notice if NOW wishes to provision OS/DA in another manner.

2.15 Responsibilities of CBT. CBT shall provide access to the following services where CBT is the underlying E9-1-1 (“**E9-1-1**”) service provider:

- (i) Universal Emergency Number service, a telephone exchange communication service that includes lines and equipment necessary for answering, transferring and dispatching public emergency telephone calls originated by persons within the telephone Central Office areas arranged for E9-1-1 calling.
- (ii) Enhanced E9-1-1 service, provides for routing of all E9-1-1 calls originated by Customers having telephone numbers beginning with a given Central Office prefix code or codes to a single PSAP equipped to receive those calls, as well as additional features, such as selective routing of E9-1-1 calls to a specific PSAP that is selected from the various PSAPs serving Customers within that Central Office area.
- (iii) E911 call routing to the appropriate PSAP. CBT shall provide and validate NOW Customer information to the PSAP. CBT shall use its service order process to update and maintain, on the same schedule that it uses for its retail Customers, NOW Customer service information in the ALI/DMS (Automatic Location Identification/Data Management System) used to support E9-1-1 services.

Both NOW and its Customers purchasing Resale Service under this Agreement are not charged for calls to the 911 number, except as provided in any applicable tariff or pursuant to Applicable Law.

2.16 Exchange of Billing Information

2.16.1 CBT shall provide NOW a specific Daily Usage File (“**DUF**”) for Wholesale Resale Services provided hereunder (“**Customer Usage Data**”). Such Customer Usage Data shall be recorded by CBT in accordance with EMR Standards. CBT will review the implementation of new standards as appropriate. The DUF shall include specific daily usage, including both Local Traffic and IntraLATA Toll Traffic that CBT currently records, in EMR format, for each individual Resale Service and shall include sufficient detail to enable NOW to bill its Customers for Wholesale Resale Services provided by CBT. Procedures and processes, including, but not limited to, those set forth on Schedule 2.16, for implementing the Customer Usage Data Exchange interface will be included in Resale Guide. Except as provided in Section 2.16.4, no other detailed billing shall be provided by CBT to NOW.

2.16.2 Interexchange call detail forwarded to CBT for billing, which would otherwise be processed by CBT, will be returned to the IXC and will not be passed through to NOW. This call detail will be returned to the IXC with a transaction code indicating that the returned call originated from a resold account. If NOW does not wish to be responsible for 900 and 976 calls, it must order blocking for resold lines. When the IXC records the 900 and 976 calls, the call detail will be returned to the IXC.

2.16.3 NOW shall be responsible for providing all billing information to its Customers who purchase Wholesale Resale Services from NOW.

2.16.4 CBT shall bill NOW for Wholesale Resale Services provided by CBT to NOW pursuant to the provisions of **Article XIII**. CBT shall recognize NOW as the Customer of Record for all Wholesale Resale Services and will send all notices, bills and other pertinent information directly to NOW. The bill will include sufficient data to enable NOW to (i) bill all charges to its Customers that are not included as Customer Usage Data and (ii) reconcile the billed charges with the Customer Usage Data.

2.17 Use of Service.

2.17.1 NOW, and not CBT, shall be responsible to ensure that its and its Customers' use of the Wholesale Resale Services complies at all times with Applicable Law. CBT may refuse to furnish or may disconnect Wholesale Resale Services of NOW or, as appropriate, to a NOW Customer when:

(a) An order is issued by a court, the Commission or any other duly authorized agency, finding that probable cause exists to believe that the use made or to be made of a Resale Service is prohibited by Applicable Law, or

(b) CBT is notified in writing by a law enforcement agency acting within its jurisdiction that any facility furnished by CBT is being used or will be used for the purpose of transmitting or receiving gambling information in interstate or foreign commerce in violation of law.

2.17.2 Termination of Resale Service shall take place after reasonable notice is provided to NOW or as ordered by a court.

2.17.3 If communications facilities have been physically disconnected by law enforcement officials at the premises where located, and if there is not presented to CBT the written finding of a judge, then upon written request of NOW and agreement to pay restoration of Resale Service charges and other applicable charges, CBT shall promptly restore such Resale Service.

2.17.4 To the extent provided under the Telephone Consumer Protection Act (47 U.S.C. § 227) and regulations thereunder, Resale Service shall not be used for the purpose of solicitation by recorded message when such solicitation occurs as a result of unrequested calls initiated by the solicitor by means of automatic dialing devices. Such devices, with storage capability of numbers to be called or a random or sequential number generator that produces numbers to be called and having the capability, working alone or in conjunction with other equipment, of disseminating a prerecorded message to the number called and that are calling party- or called party-controlled, are expressly prohibited.

2.17.5 The Wholesale Resale Services shall not be used in any manner that interferes with other persons in the use of their Telecommunications Service, prevents other persons from using their Telecommunications Services, or otherwise impairs the quality of service to other carriers or CBT's Customers.

2.17.6 If NOW's use of Wholesale Resale Services interferes unreasonably with the Wholesale Resale Services of other carriers or their customers or of NOW's or CBT's Customers, NOW shall be required to take Wholesale Resale Services in sufficient quantity or of a different class or grade to correct such interference.

ARTICLE III DIRECTORY LISTINGS

3.1 Directory Listings. CBT, as publisher of its White Pages, will include Primary Listings of NOW's resale directory customers in its White Pages, and shall cause its Publisher to include primary listings of NOW's directory customers in its Publisher's Yellow Pages Directories under the following terms and conditions:

3.1.1 Listings of NOW Directory Customers shall be interfiled with listings of Customers of CBT and other LECs serving the same geographic area where such listings are included within a directory.

3.1.2 CBT or its Publisher must receive orders for services from NOW prior to the service order close date for the directory in which the Primary Listings of those customers are to appear. CBT or its Publisher will provide NOW with appropriate service order close dates within thirty (30) days of this information becoming available.

3.1.3 CBT may include Primary Listings of NOW Directory Customers provided to CBT or its Publisher in other directories published by CBT or the Publisher.

3.1.4 Nothing in this Agreement shall restrict CBT's and its Publisher's authority from altering the geographic scope, directory life, headings, content or format of the directories. CBT and its Publisher will provide information on such alterations at the same time such information is provided to CBT.

3.1.5 CBT, shall include, in the customer information section of its White Pages Directory, information about NOW services, including addresses and telephone numbers for NOW Customer service at a charge identified in **Schedule 2.1**. The form and content of such customer information shall be provided by NOW to CBT prior to the close date for the customer information section. CBT shall maintain editorial rights as well as control of the format and design of these pages. NOW will work directly with the Publisher to include customer information in the Publisher's Yellow Page Directory

3.2 Listing and Listing Updates. CBT will process NOW directory listings and listing updates as it processes its own directory listings and listing updates.

3.2.1 Publisher or CBT may sell or license the use of Customer Listings, or Listing Updates to third persons without the prior written consent of NOW; provided, however, that neither Publisher nor CBT will:

- (a) disclose non-published name and address information to any third person, except as may be necessary to undertake delivery of directories or to perform other services contemplated under this Agreement;
- (b) disclose to any third person the identity of a Customer's or resale Customer's LEC;
- (c) sell or license such Customer listing information sorted by carrier; or
- (d) disclose listing information for individual cases where NOW has notified CBT.

3.3 Directories Delivery. CBT will provide initial and secondary (replacement, additional or New Line orders) delivery of CBT's White Page Directory and shall cause its Publisher to provide initial and secondary (replacement additional or New Line orders) delivery of Yellow Page Directories to NOW Directory Customers under the same terms and conditions that CBT delivers to its customers. Upon directory publication, CBT will arrange for the distribution of the directory to NOW Customers in the directory coverage area.

3.4 Nondiscriminatory Formats. CBT shall make available to NOW Customers the same White Pages formats and shall cause its Publisher to make available the same Yellow Pages format that CBT and its Publisher provides to its retail Customers, at the same rates, terms and conditions.

ARTICLE IV RESALE GUIDE

The Resale Guide shall address, among other things, procedures for electronic service ordering, provisioning, billing processes, trouble administration and repair, other electronic interfaces, marketing support and other miscellaneous matters.

ARTICLE V SERVICE PERFORMANCE MEASUREMENT

5.1 Service Records

5.1.1 Records. To determine CBT's performance against the standard intervals, CBT shall maintain records for the performance activities listed in Schedule 2.9. The results will be categorized to separately identify (1) the performance CBT provided to itself, its other subsidiaries and affiliates (the "Providing Party's Records") and (2) the performance provided to NOW (the "NOW Records").

ARTICLE VI GENERAL RESPONSIBILITIES OF THE PARTIES

6.1 Compliance with Applicable Law. Each Party shall comply at its own expense with all applicable federal, state, and local statutes, laws, rules, regulations, codes, effective orders, decisions, injunctions, judgments, awards and decrees (“**Applicable Laws**”) (not subject to an effective stay) that relate to its obligations under this Agreement.

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

6.3 Insurance. At all times during the term of this Agreement, each Party shall keep and maintain in force at such Party's expense all insurance required by Applicable Law, general liability insurance in the amount of at least \$10,000,000 and worker's compensation insurance in accord with statutory limits. Upon request from the other Party, each Party shall provide to the other Party evidence of such insurance (which may be provided through a program of self-insurance).

6.4 Labor Relations. Each Party shall be responsible for labor relations with its own employees. Each Party agrees to notify the other Party as soon as practicable whenever such Party has knowledge that a labor dispute concerning its employees is delaying or threatens to delay such Party's timely performance of its obligations under this Agreement. In the event of a labor dispute and to the extent permitted by Applicable Law, a Party shall attempt to minimize impairment of service to the other Party, but in any event, to the extent a given service is affected by a labor dispute, CBT shall treat all Customers of such service, including itself, its subsidiaries and affiliates, equally.

6.5 Good Faith Performance. Each Party shall act in good faith in its performance under this Agreement and, in each case in which a Party's consent or agreement is required hereunder, such Party shall not unreasonably withhold or delay such consent or agreement, as the case may be.

6.6 Responsibility to Customers. Each Party is solely responsible for the services it provides to its Customers and to other Telecommunications Carriers.

6.7 Cooperation. The Parties shall work cooperatively to minimize fraud associated with third-number billed calls, calling card calls, and any other services related to this Agreement.

ARTICLE VII PROPRIETARY INFORMATION

7.1 Definition of Proprietary Information.

7.1.1 “Proprietary Information” means:

- (a) all proprietary or confidential information of a Party or its affiliates (a “Disclosing Party”) including specifications, drawings, sketches, business information, forecasts, records (including each Party's records regarding Performance Benchmarks), Customer Proprietary Network Information, Customer Usage Data, audit information, models, samples, data, system interfaces, computer programs and other software and documentation, including any and all information subject to any intellectual property rights of such Party, that is furnished or made available or otherwise disclosed to the other Party pursuant to this Agreement (“Receiving Party”) and, if written, is marked “Confidential” or “Proprietary” or by other similar notice or if oral or visual, is identified as “Confidential” or “Proprietary” at the time of disclosure; and
- (b) any portion of any notes, analyses, data, compilations, studies, interpretations, programs, or other documents or works prepared by or on behalf of any Receiving Party to the extent the same contain, reflect, are derived from, or are based upon, any of the information described in subsection (a) above (such portions of such notes, analyses, etc. referred to herein as “Derivative Information”).

7.1.2 The Disclosing Party will use its reasonable efforts to follow its customary practices regarding the marking of tangible Proprietary Information as “**confidential**,” “**proprietary**,” or other similar designation, but the failure to mark or otherwise designate any information described in this **Section 7.1.2(a)** as confidential or proprietary shall not affect its status as Proprietary Information. Provided, however, that the Receiving Party shall have no liability for disclosure of Proprietary Information prior to receiving notice that information which should be marked pursuant to **Section 7.1.2(a)** and that is not so marked as Proprietary Information. The Parties agree that the designation in writing by the Disclosing Party that information is confidential or proprietary shall create a presumption that such information is confidential or proprietary to the extent such designation is reasonable. If the Receiving Party disputes the designation of information as Proprietary Information, it may challenge such designation in any relevant proceeding, provided, that until a decision is rendered by a court or the Commission that such information is not Proprietary Information, the Receiving Party shall continue to treat such information as Proprietary Information.

7.1.3 Notwithstanding the requirements of this **Article VII**, all information relating to the Customers of a Party, including information that would constitute Customer Proprietary Network Information (CPNI) of a Party pursuant to the Act and FCC rules and

regulations, and Customer Usage Data, whether disclosed by one Party to the other Party or otherwise acquired by a Party in the course of the performance of this Agreement, shall be deemed “**Proprietary Information**” of that Party. A Party may only use CPNI consistent with the Act and the appropriate authorization from the Customer.

7.2 Disclosure and Use.

7.2.1 Each Receiving Party agrees that, from and after the Effective Date:

- (a) all such Proprietary Information communicated or discovered, whether before, on or after the Effective Date, in connection with this Agreement shall be held in confidence to the same extent as such Receiving Party holds its own confidential information; provided, that such Receiving Party shall not use less than a reasonable standard of care in maintaining the confidentiality of such information;
- (b) it will not, and it will not permit any of its employees, contractors, consultants, agents or affiliates to disclose such Proprietary Information to any other third person;
- (c) it will disclose Proprietary Information only to those of its employees, contractors, consultants, agents and affiliates who have a need for it in connection with the use or provision of services required to fulfill this Agreement;
- (d) it will, and will cause each of its employees, contractors, consultants, agents and affiliates to use such Proprietary Information only to effectuate the terms and conditions of this Agreement and for no other purpose;
- (e) it will cause each of its affiliates to execute individual confidentiality agreements containing the same restrictions as this Article VII; and
- (f) it will, and will cause each of its employees, contractors, consultants, agents and affiliates, to use such Proprietary Information to create only that Derivative Information necessary for such Receiving Party's compliance with Applicable Law or its performance under the terms of this Agreement.

7.2.2 Any Receiving Party so disclosing Proprietary Information to its employees, contractors, consultants, agents or affiliates shall be responsible for any breach of this Agreement by any of its employees, contractors, consultants, agents or affiliates and such Receiving Party agrees to use its reasonable efforts to restrain its employees, contractors, consultants, agents or affiliates from any prohibited or unauthorized disclosure or use of the Proprietary Information and to assist the Disclosing Party in its efforts to protect such

information from disclosure. Each Receiving Party making such disclosure shall notify the Disclosing Party as soon as possible if it has knowledge of a breach of this Agreement in any material respect.

7.2.3 Proprietary Information shall not be reproduced by any Receiving Party in any form except to the extent (i) necessary to comply with the provisions of **Section 7.3** and (ii) reasonably necessary to perform its obligations under this Agreement. All such reproductions shall bear the same copyright and proprietary rights notices as are contained in or on the original.

7.2.4 This **Section 7.2** shall not apply to any Proprietary Information which the Receiving Party can establish to have:

- (a) been disclosed by the Receiving Party with the Disclosing Party's prior written consent;
- (b) become generally available to the public other than as a result of disclosure by a Receiving Party;
- (c) been independently developed by a Receiving Party by an individual who has not had knowledge of or direct or indirect access to such Proprietary Information;
- (d) been rightfully obtained by the Receiving Party from a third person without knowledge that such third person is obligated to protect its confidentiality; provided that such Receiving Party has used all commercially reasonable efforts to determine whether such third person has any such obligation; or
- (e) been obligated to be produced or disclosed by Applicable Law; provided that such production or disclosure shall have been made in accordance with this Article VII.

7.2.5 Except as expressly provided, nothing in this **Article VII** shall be construed as limiting the rights of either Party with respect to its customer information under any Applicable Law, including Section 222 of the Act.

7.3 Government Disclosure.

7.3.1 If a Receiving Party desires to disclose or provide to the Commission, the FCC or any other governmental authority any Proprietary Information of the Disclosing Party, such Receiving Party shall, prior to and as a condition of such disclosure, (i) provide the Disclosing Party with written notice and the form of such proposed disclosure as soon as possible but in any event early enough to allow the Disclosing Party to protect its interests in the Proprietary Information to be disclosed and (ii) attempt to obtain in accordance with the applicable procedures of the intended recipient of such Proprietary Information an order, appropriate protective relief or other reliable assurance that confidential treatment shall be

accorded to such Proprietary Information. Nothing herein shall prevent the Receiving Party from contesting the status of information as Proprietary Information so long as it is treated in such fashion until a decision is rendered that such information is not Proprietary Information as set forth in **Section 7.1.2**.

7.3.2 If a Receiving Party is required by any governmental authority or by Applicable Law to disclose any Proprietary Information, then such Receiving Party shall provide the Disclosing Party with written notice of such requirement as soon as possible and prior to such disclosure. Upon receipt of written notice of the requirement to disclose Proprietary Information, the Disclosing Party, at its expense, may then either seek appropriate protective relief in advance of such requirement to prevent all or part of such disclosure or waive the Receiving Party's compliance with this **Section 7.3** with respect to all or part of such requirement.

7.3.3 The Receiving Party shall use all commercially reasonable efforts to cooperate with the Disclosing Party in attempting to obtain any protective relief which such Disclosing Party chooses to seek pursuant to this **Section 7.3**. In the absence of such relief, if the Receiving Party is legally compelled to disclose any Proprietary Information, then the Receiving Party shall exercise all commercially reasonable efforts to preserve the confidentiality of the Proprietary Information, including cooperating with the Disclosing Party to obtain an appropriate order or other reliable assurance that confidential treatment will be accorded the Proprietary Information.

7.4 Ownership.

7.4.1 All Proprietary Information shall remain the property of the Disclosing Party, and all documents or other tangible media delivered to the Receiving Party that embody such Proprietary Information shall be, at the option of the Disclosing Party, either promptly returned to the Disclosing Party or destroyed, except as otherwise may be required from time to time by Applicable Law (in which case the use and disclosure of such Proprietary Information will continue to be subject to this Agreement), upon the later of (i) the date on which the Receiving Party's need for it has expired and (ii) the expiration or termination of this Agreement (including any applicable Transition Period).

7.4.2 At the request of the Disclosing Party, any Derivative Information shall be, at the option of the Receiving Party, either promptly returned to the Disclosing Party or destroyed, except as otherwise may be required from time to time by Applicable Law (in which case the use and disclosure of such Proprietary Information will continue to be subject to this Agreement), upon the later of (i) the date on which the Receiving Party's need for it has expired and (ii) the expiration or termination of this Agreement (including any applicable Transition Period).

7.4.3 The Receiving Party may at any time either return to the Disclosing Party or, with the written consent of the Disclosing Party, destroy Proprietary Information.

7.4.4 If destroyed, all copies shall be destroyed and, upon the written request of the Disclosing Party, the Receiving Party shall provide to the Disclosing Party written certification of such destruction. The destruction or return of Proprietary Information shall not relieve any Receiving Party of its obligation to treat such Proprietary Information in the manner required by this Agreement.

7.5 Equitable Relief. Each Party agrees that any breach by either Party or any of its Representatives of any provisions of this **Article VII** will cause immediate and irreparable injury to the other Party and that, in the event of such breach, the injured Party shall be entitled to seek equitable relief, including injunctive relief and specific performance to enforce such provisions. Such remedies shall not be exclusive, but shall be in addition to all other remedies available at law or in equity. Each Party shall have the right to disclose Confidential Information to any mediator, arbitrator, state or federal regulatory body, the Department of Justice or any court in the conduct of any mediation, arbitration, approval or appeal of this Agreement. Nothing herein shall prevent the Receiving Party from contesting the status of information as Proprietary Information so long as it is treated in such fashion until a decision is rendered that such information is not Proprietary Information as set forth in **Section 7.1.2**.

ARTICLE VIII TERM AND TERMINATION

8.1 Term. The initial term of this Agreement shall be three (3) years (the “**Initial Term**”) which shall commence on the Effective Date. Upon expiration of the Initial Term, this Agreement shall automatically be renewed for additional one (1) year periods (each, a “**Renewal Term**”) unless a Party delivers to the other Party written notice of termination of this Agreement at least ninety (90) days prior to the expiration of the Initial Term or a Renewal Term; provided, however, that this Agreement shall continue in full force and effect until it is replaced by a superseding agreement or terminated at the end of the Transition Period as set forth in **Section 8.4** below.

8.2 Renegotiation of Certain Terms. Notwithstanding the foregoing, upon delivery of written notice at least ninety (90) days prior to the expiration of the Initial Term or any Renewal Term, either Party may require negotiations of the rates, prices and charges, terms, and conditions of the services to be provided under this Agreement effective upon such expiration. If the Parties are unable to satisfactorily negotiate such new rates, prices, charges and terms within sixty (60) days of such written notice, either Party may petition the Commission or take such other action as may be necessary to establish appropriate terms. If the Parties are unable to mutually agree on such new rates, prices, charges, terms and conditions or the Commission does not issue its order, the Parties agree that the rates, terms and conditions ultimately ordered by such Commission or negotiated by the Parties shall be effective retroactive to such expiration date.

8.3 Default. When a Party believes that the other Party is in violation of a material term or condition of this Agreement (“**Defaulting Party**”), it shall provide written notice to such Defaulting Party of such violation prior to commencing the dispute resolution procedures set

forth in **Section 14.3** and it shall be resolved in accordance with the procedures established in **Section 14.3**.

8.4 Transitional Support.

8.4.1 In the event of the termination or expiration of this Agreement for any reason, each Party agrees to maintain the level and quality of services still being provided by it as of the date of termination or expiration of this Agreement ("**Transition Date**"), and to cooperate reasonably in an orderly and efficient transition to a successor provider.

8.4.2 Each Party agrees (i) to furnish services during a period for up to two hundred (200) days (or such longer period as may be agreed by the Parties) after the Transition Date ("**Transition Period**") on terms and conditions and at charges that are the same as those in effect upon the Transition Date, and (ii) to enter into an agreement with the other Party for a transition plan that specifies the nature, extent, and schedule of the services to be provided during such Transition Period. During the Transition Period, CBT and NOW will cooperate in good faith to effect an orderly transition of service under this Agreement. CBT and NOW agree to exercise their respective reasonable efforts to avoid or minimize service disruptions or degradation in services during such transition.

8.5 Payment Upon Expiration or Termination. In the case of the expiration or termination of this Agreement for any reason, each of the Parties shall be entitled to payment for all services performed and expenses incurred or accrued prior to such expiration or termination, provided that such Party would be entitled to recover for such services or expenses under the provisions of this Agreement.

ARTICLE IX DISCLAIMER OF REPRESENTATIONS AND WARRANTIES

EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NO PARTY MAKES OR RECEIVES ANY WARRANTY, EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE SERVICES, FUNCTIONS AND PRODUCTS IT PROVIDES OR IS CONTEMPLATED TO PROVIDE UNDER THIS AGREEMENT AND EACH PARTY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE X SEVERABILITY

10.1 Severability. If any provision of this Agreement shall be held to be illegal, invalid or unenforceable, each Party agrees that such provision shall be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby. However, the Parties shall negotiate in good faith to amend this Agreement to

replace, with enforceable language that reflects such intent as closely as possible, the unenforceable language and any provision that would be materially affected by vacation of the unenforceable language.

10.2 Non-Contravention of Laws. Nothing in this Agreement shall be construed as requiring or permitting either Party to contravene any mandatory requirement of Applicable Law.

ARTICLE XI INDEMNIFICATION

11.1 General Indemnity Rights. Each Party (the “**Indemnifying Party**”) shall defend and indemnify the other Party, its officers, directors, employees and permitted assignees (collectively, the “**Indemnified Party**”) and hold such Indemnified Party harmless against

11.1.1 Any Loss to a third person arising out of: the negligent acts or omissions, or willful misconduct or breach of a material term of this Agreement (“**Fault**”) by such Indemnifying Party or the Fault of its employees, agents and subcontractors; provided, however, that (1) with respect to employees or agents of the Indemnifying Party, such Fault occurs while performing within the scope of their employment, (2) with respect to subcontractors of the Indemnifying Party, such Fault occurs in the course of performing duties of the subcontractor under its subcontract with the Indemnifying Party, and (3) with respect to the Fault of employees or agents of such subcontractor, such Fault occurs while performing within the scope of their employment by the subcontractor with respect to such duties of the subcontractor under the subcontract; and provided, however, that, in cases where the Loss to the third person is caused in part by the Fault of the Indemnified Party, its employees, agents or subcontractors, the indemnity obligation shall be limited to the Indemnifying Party’s proportionate Fault (it being specifically contemplated that in cases where each Party bears some degree of Fault, each Party is responsible for indemnifying the other with respect to the same Loss as to its proportionate Fault);

11.1.2 Any Loss arising from such Indemnifying Party's use of services offered under this Agreement, involving pending or threatened claims, actions, proceedings or suits (“**Claims**”), claims for libel, slander, invasion of privacy, or infringement of Intellectual Property rights arising from the Indemnifying Party's communications;

11.2 Intellectual Property Rights and Indemnification Any intellectual property which originates from or is developed by a Party shall remain in the exclusive ownership of that Party. No license in patent, copyright, trademark or trade secret, or other proprietary or intellectual property right now or hereafter owned, controlled or licensable to 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 its own cost that it has obtained any necessary licenses in relation to intellectual property of third Parties used by it to receive any service or to perform its respective obligations under this Agreement.

11.3 Indemnification Procedures. Whenever a Claim shall arise for indemnification under this **Article XI**, the relevant Indemnified Party, as appropriate, shall promptly notify the Indemnifying Party and request the Indemnifying Party to defend the same. Failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such Claim. The Indemnifying Party shall have the right to defend against such liability or assertion in which event the Indemnifying Party shall give written notice to the Indemnified Party of acceptance of the defense of such Claim and the identity of counsel selected by the Indemnifying Party. Until such time as the Indemnifying Party provides such written notice of acceptance of the defense of such Claim, the Indemnified Party shall defend such Claim, at the expense of the Indemnifying Party, subject to any right of the Indemnifying Party, to seek reimbursement for the costs of such defense in the event that it is determined that the Indemnifying Party had no obligation to indemnify the Indemnified Party for such Claim. The Indemnifying Party shall have exclusive right to control and conduct the defense and settlement of any such Claims subject to consultation with the Indemnified Party. The Indemnifying Party shall not be liable for any settlement by the Indemnified Party unless such Indemnifying Party has approved such settlement in advance and agrees to be bound by the agreement incorporating such settlement. At any time, an Indemnified Party shall have the right to refuse a compromise or settlement and, at such refusing Party's cost, to take over such defense; provided that in such event the Indemnifying Party shall not be responsible for, nor shall it be obligated to indemnify the relevant Indemnified Party against, any cost or liability in excess of such refused compromise or settlement. With respect to any defense accepted by the Indemnifying Party, the relevant Indemnified Party shall be entitled to participate with the Indemnifying Party in such defense if the Claim requests equitable relief or other relief that could affect the rights of the Indemnified Party and also shall be entitled to employ separate counsel for such defense at such Indemnified Party's expense. If the Indemnifying Party does not accept the defense of any indemnified Claim as provided above, the relevant Indemnified Party shall have the right to employ counsel for such defense at the expense of the Indemnifying Party. Each Party agrees to cooperate and to cause its employees and agents to cooperate with the other Party in the defense of any such Claim and the relevant records of each Party shall be available to the other Party with respect to any such defense, subject to the restrictions and limitations set forth in **Article VII**.

ARTICLE XII LIMITATION OF LIABILITY

12.1 Limited Responsibility. Each Party shall be responsible only for service(s) and facility(ies) which are provided by that Party, its affiliates, authorized agents, subcontractors, or others retained by such parties, and neither Party shall bear any responsibility for the services and facilities provided by the other Party, the other Party's affiliates, agents, subcontractors, or other persons retained by such parties. No Party shall be liable for any act or omission of another Telecommunications Carrier (other than an affiliate) providing a portion of a service, unless such Telecommunications Carrier is an authorized agent, subcontractor, or other retained by the party providing the service.

12.2 Apportionment of Fault. In the case of any Loss arising from the negligence or willful misconduct of both Parties, each Party shall bear, and its obligation shall be limited to, that portion of the resulting expense caused by its negligence or misconduct or the negligence or misconduct of such Party's affiliates, agents, contractors or other persons acting in concert with it.

12.3 Damages. Neither Party shall be liable to the other for any indirect, incidental, special or consequential damages arising out of or related to this Agreement or the provision of service hereunder. Notwithstanding the foregoing limitation, a Party's liability shall not be limited by the provisions of this **Article XII** in the event of its willful or intentional misconduct, including gross negligence, or its repeated breach of any one or more of its obligations under this Agreement. A Party's liability shall not be limited with respect to its indemnification obligations.

12.4 Remedies.

12.4.1 The obligations of and the services offered by each Party under this Agreement are unique. Accordingly, in addition to any other available rights or remedies, a Party may sue in equity for specific performance.

12.4.2 In the event CBT fails to switch a subscriber to NOW service as requested through a NOW service request, within the intervals agreed upon by the Parties, or in the event NOW directs CBT to switch a subscriber without valid Customer authorization to do so, the continued provision of Telecommunications Services to such subscriber by the incorrect Party shall be deemed an improper change in subscriber carrier selection, commencing with the time at which CBT failed to switch such subscriber or NOW improperly directed such change, as the case may be. In such event, the unauthorized carrier Party shall reimburse the other Party in an amount equal to all charges due and owing by such subscriber for services provided from the time of such improper change in carrier selection to the time at which the correct selection is accomplished by CBT or within the agreed upon interval from the time proper direction by NOW is provided to CBT, as the case may be.

12.4.3 All rights of termination, cancellation or other remedies prescribed in this Agreement, or otherwise available, are cumulative and are not intended to be exclusive of other remedies to which the injured party may be entitled at law or equity in case of any breach or threatened breach by the other Party of any provision of this Agreement. Use of one or more remedies shall not bar use of any other remedy for the purpose of enforcing the provisions of this Agreement.

ARTICLE XIII BILLING

13.1 Billing.

13.1.1 CBT will bill all applicable charges, at the rates set forth herein, in Schedule 2.1 and as set forth in applicable tariffs or contracts referenced herein, for the services provided by CBT to NOW in accordance with this **Article XIII**.

13.1.2 The Parties agree that in order to ensure the proper performance and integrity of the entire billing process, CBT will be responsible and accountable for transmitting to NOW an accurate and current bill. Each Party agrees to implement control mechanisms and procedures to render a bill that accurately reflects the services ordered and used by the other Party.

13.2 Payment of Charges. Subject to the terms of this Agreement, NOW shall pay CBT all undisputed amounts on or before the date ("Bill Due Date") which is 31 calendar days after the bill date or by the next bill date, whichever is shortest. If the Bill Due Date is on a day other than a Business Day, payment will be due and the Bill Due Date shall be the next following Business Day. Payments shall be made in U.S. Dollars (i) via electronic funds transfer ("**EFT**") with immediately available funds to the other Party's bank account or (ii) in order to accommodate NOW's existing payment arrangements with CBT and established credit rating, by check. To the extent that NOW pays via EFT, within thirty (30) days' of the Effective Date, CBT shall provide NOW with the name and address of its bank, its account and routing number and to whom payments should be made payable. If such banking information changes, CBT shall provide NOW at least sixty (60) days' written notice of the change and such notice shall include the new banking information. If NOW receives multiple invoices which are payable on the same date, NOW may remit one payment for the sum of all amounts payable to the other Party. Each Party shall provide the other Party with a contact person for the handling of payment questions or problems.

13.3 Late Payment Charges. Except for Disputed Amounts, if NOW fails to remit payment for any charges for services by the Bill Due Date, or if a payment or any portion of a payment is received by CBT after the Bill Due Date, or if payment is not made by check that is currently dated and drawn on an account with sufficient available funds, then a late payment charge may be assessed as provided in **Section 13.6**.

13.4 Failure to Pay

13.4.1 Notwithstanding anything to the contrary herein, if NOW fails to pay any undisputed amounts that are past due within fifteen (15) Business Days of its receipt of demand from CBT that such undisputed amounts are then due, CBT may, in addition to exercising any other rights or remedies it may have under Applicable Law, stop processing NOW's orders for Resale Services until such date that such undisputed amounts have been received by CBT in immediately available funds.

13.4.2 Failure to pay all amounts due that are not Disputed Amounts, including late payment charges, within thirty (30) days of the Bill Due Date for such charges is a material violation of this agreement. The Agreement may be terminated by the Billing Party under the following conditions:

- (a) The Billing Party must provide written notice to the Nonpaying Party, with a copy to the Commission, of the amounts owed the Billing Party and that disconnection of service will occur if prompt payment of the undisputed past due balance is not paid within thirty (30) days of such notice.
- (b) If the Nonpaying Party fails to pay the amounts due that are not Disputed Amounts within 30 days of notification by the Billing Party, the Billing Party may terminate this Agreement and service to the Nonpaying Party.
- (c) In the event this Agreement is terminated for nonpayment, the Billing Party shall be entitled to payment of all amounts due from the Nonpaying Party in accordance with Section 8.5.

13.4.3 If (i) NOW fails to pay any undisputed amounts that are past due within fifteen (15) Business Days of its receipt of demand from CBT that such undisputed amounts are then due, (ii) CBT discontinues NOW's Resale Services in accordance with Applicable Law upon NOW's failure to pay such past due undisputed amounts and (iii) a NOW Customer fails to select a new carrier prior to such discontinuation of NOW's Resale Services, then CBT may, subject to tariffed eligibility requirements, provide local exchange Telecommunications Service to such Customer at CBT's then current tariff rate, except that NOW agrees that it shall pay to CBT all applicable service establishment charges that would otherwise have been assessed to such Customer. NOW acknowledges that CBT shall have no liability to NOW or NOW's Customers in the event CBT discontinues the provision of Resale Services for NOW's failure to pay past due undisputed amounts as provided in this Section.

13.5 Adjustments.

13.5.1 As provided in this Agreement, a Party shall promptly reimburse (if paid) or credit (if invoiced, but not paid) the other Party for any charges that should not have been billed to the other Party as provided in this Agreement along with accrued interest on any reimbursed amounts as provided in Section 13.6. Such reimbursements or credits shall be set forth in the appropriate section of the invoice.

13.5.2 As provided in this Agreement, a Party shall bill the other Party for any charges that should have been billed to the other Party as provided in this Agreement, but have not been billed to the other Party ("**Underbilled Charges**"); provided, however that, except as provided in Article XIV, the Billing Party shall not bill for Underbilled Charges which were incurred more than six (6) months prior to the date that the Billing Party transmits a bill for any Underbilled Charges. For purposes of charges received from another entity, they are deemed incurred when received by CBT but must be billed within six (6) months from such date.

13.6 Interest on Unpaid or Overbilled Amounts. Except as otherwise provided elsewhere, any undisputed amounts not paid when due or any amounts paid that were paid as a result of a billing error, as the case may be, shall accrue interest from the date such amounts were due or received, as the case may be, at the lesser of (i) one and one-half percent (1½%) per month or (ii) the highest rate of interest that may be charged under Applicable Law, compounded daily for the number of days from the Bill Due Date or date such overpayment was received until the date that payment or reimbursement, as the case may be, is actually received by the appropriate Party.

13.7 Single Point of Contact. CBT shall provide to NOW a single point of contact, CBT's LEC-C, for handling any billing questions or problems that may arise during the implementation and performance of the terms and conditions of this Agreement.

ARTICLE XIV DISPUTED AMOUNTS, AUDIT RIGHTS AND DISPUTE RESOLUTION

14.1 Disputed Amounts.

14.1.1 If any portion of an amount due to a Party (the "**Billing Party**") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "**Non-Paying Party**") shall, prior to the Bill Due Date, give written notice to the Billing Party of the amounts it disputes ("**Disputed Amounts**") and include in such written notice the specific details and reasons for disputing each item; provided, however, a failure to provide such notice by that date shall not preclude a Party from subsequently challenging billed charges provided that such charges were paid. The Non-Paying Party shall pay when due all undisputed amounts to the Billing Party.

Notwithstanding the foregoing, except as provided in **Section 14.2**, NOW shall be entitled to dispute only those charges for which the Date was within the immediately preceding twelve (12) months of the date on which CBT received notice of such Disputed Amounts.

14.1.2 If the Non-Paying Party disputes charges and the dispute is resolved in favor of such Non-Paying Party, the Billing Party shall credit the invoice of the Non-Paying Party for the amount of the Disputed Amounts along with any applicable late payment charges no later than the second Bill Due Date after the resolution of the Dispute. Accordingly, if a Non-Paying Party disputes charges and the dispute is resolved in favor of the Billing Party, the Non-Paying Party shall pay the Billing Party the amount of the Disputed Amounts and any associated late payment charges no later than the second Bill Due Date after the resolution of the Dispute. Late payment charges shall be assessed as set forth in **Section 13.6**.

14.1.3 If the Parties are unable to resolve the issues related to the Disputed Amounts in the normal course of business within sixty (60) days after delivery to the Billing Party of notice of the Disputed Amounts, each of the Parties shall appoint a designated representative who has authority to settle the Dispute and who is at a higher level of management

than the persons with direct responsibility for administration of this Agreement. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the Dispute and negotiate in good faith in an effort to resolve such Dispute. The specific format for such discussions will be left to the discretion of the designated representatives; however all reasonable requests for relevant information made by one Party to the other Party shall be honored.

14.1.4 If the Parties are unable to resolve issues related to the Disputed Amounts within forty-five (45) days after the Parties' appointment of designated representatives pursuant to **Section 14.3**, then either Party may file a complaint with the Commission to resolve such issues or proceed with any other remedy pursuant to law or equity. The Commission or the FCC may direct payment of any or all Disputed Amounts (including any accrued interest) thereon or additional amounts awarded, plus applicable late fees, to be paid to either Party.

14.1.5 The Parties agree that all negotiations pursuant to this **Section 14.1** shall remain confidential in accordance with **Article VII** and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

14.2 Audit Rights.

14.2.1 As used herein “**Audit**” shall mean a comprehensive review of services performed under this Agreement. Subject to the restrictions set forth in **Article VII**, a Party (“**Auditing Party**”) may audit the other Party's (“**Audited Party**”) books, records, data and other documents, as provided herein, one (1) time each Contract Year for the purpose of evaluating the accuracy of Audited Party's billing and invoicing. The scope of the Audit shall be limited to the (i) the period subsequent to the last day of the period covered by the Audit which was last performed (or if no Audit has been performed, the Effective Date) and (ii) the twenty-four (24) month period immediately preceding the date the Audited Party received notice of such requested audit. Unless otherwise agreed upon by the Parties in writing, such audit shall begin no fewer than thirty (30) days after Audited Party receives a written notice requesting an audit and shall be conducted by one (1) or more auditor(s) mutually agreed upon by the Parties. The Parties shall select such auditor(s) by the thirtieth day following Audited Party's receipt of a written audit notice. The Auditing Party shall cause the auditor(s) to execute a nondisclosure agreement in a form agreed upon by the Parties.

14.2.2 Each Party shall bear its own expenses in connection with the conduct of any Audit. The reasonable cost of special data extractions required by NOW to conduct the Audit will be paid for by NOW. For purposes of this **Section 14.2**, a “**Special Data Extraction**” shall mean the creation of an output record or informational report (from existing data files) that is not created in the normal course of business. Each Audit shall be conducted on the premises of Audited Party during Normal Business Hours. Audited Party shall cooperate fully in any such audit, providing the independent auditor reasonable access to any and all appropriate Audited Party employees and books, records and other documents reasonably necessary to assess the accuracy of Audited Party's billing and invoicing. No Party shall have access to the raw data of the other Party, but shall rely upon summaries or redacted documents provided by the independent auditor. Each Party shall maintain reports, records and data relevant to the billing of any services that are the subject matter of this Agreement for a period of not less than twenty-four (24) months after creation thereof, unless a longer period is required by Applicable Law.

14.2.3 If any Audit confirms any undercharge or overcharge, then Audited Party shall (i) for any overpayment promptly correct any billing error, including refunding any overpayment by Auditing Party in the form of a credit on the invoice for the first full billing cycle after the Parties have agreed upon the accuracy of the audit results and (ii) for any undercharge caused by the actions of or failure to act by Audited Party, immediately compensate Auditing Party for such undercharge. In each case, the amount shall be with interest at the lesser of one and one-half percent (1 1/2%) per month and the highest rate of interest that may be charged under Applicable Law, compounded daily, for the number of days from the date on which such undercharge or overcharge originated until the date on which such credit is issued or payment is received, as the case may be. Notwithstanding the foregoing, NOW shall not be liable for any Underbilled Charges for which Customer Usage Data was not furnished by CBT to NOW within six (6) months of the date such usage was incurred.

14.2.4 Any Disputes concerning audit results shall be referred to the Parties' designated personnel responsible for informal resolution. If these individuals cannot resolve the Dispute within thirty (30) days of the referral, either Party may request in writing that one additional audit shall be conducted by an independent auditor acceptable to both Parties, subject to the requirements set out in **Section 14.2.1**. Such additional audit shall be at the requesting Party's expense. If the second audit fails to resolve the Dispute, the matter shall be resolved in accordance with the procedures set forth in **Section 14.3**.

14.2.5 This **Section 14.2** shall survive expiration or termination of this Agreement for a period of two (2) years after expiration or termination of this Agreement.

14.3 Dispute Escalation and Resolution

Except as otherwise provided herein, any dispute, controversy or claim (individually and collectively, a “**Dispute**”) arising under this Agreement shall be resolved in accordance with the procedures set forth in this **Section 14.3**.

14.3.1 In the event of a Dispute between the Parties relating to this Agreement and upon the written request of either Party, each of the Parties shall appoint a designated

representative who has authority to settle the Dispute and who is at a higher level of management than the persons with direct responsibility for administration of this Agreement. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the Dispute and negotiate in good faith in an effort to resolve such Dispute. The specific format for such discussions will be left to the discretion of the designated representatives; however, all reasonable requests for relevant information made by one Party to the other Party shall be honored. The Parties shall attempt in good faith to address any default or resolve any Dispute by applying the appropriate rules, guidelines or regulations of the Commission. If the Parties are unable to resolve issues related to a Dispute within thirty (30) days after the Parties' appointment of designated representatives as set forth above, or if a Party fails to appoint a designated representative within said thirty (30) days, a Party or the other Party, as appropriate, may pursue all available remedies in the event there is no satisfactory resolution pursuant to this **Section 14.3.1.**

14.3.2 The Parties agree that any Dispute arising out of or relating to this Agreement that the Parties themselves cannot resolve as set forth in **Section 14.3.1**, may be submitted to the Commission for resolution by complaint case. The Parties agree to seek expedited resolution by the Commission, and, unless otherwise agreed, shall seek such resolution no later than sixty (60) days from the date of submission of such dispute to the Parties' designated representatives. If the Commission appoints an expert(s) or other facilitator(s) to assist in its decision making, each party shall pay half of all fees and expenses so incurred. During the Commission proceeding each Party shall continue to perform its obligations under this Agreement: provided, however, that neither party shall be required to act in any unlawful fashion. A Party may pursue any available remedies in the event there is no satisfactory resolution pursuant to this **Section 14.3.2.**

14.3.3 In no event shall the Parties permit the pending of a Dispute or other proceeding to disrupt service to any NOW Customer or CBT Customer.

ARTICLE XV REGULATORY APPROVAL

15.1 Commission Approval. The Parties understand and agree that this Agreement will be filed with the Commission for approval by such Commission (or the FCC if the Commission fails to act) pursuant to Section 252 of the Act. Each Party specifically reserves its right to judicial review of this Agreement under Section 252(e)(6) of the Act, or any other available remedy at law or equity. If the Commission, the FCC or any court rejects any portion of this Agreement, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification of the rejected portion and any provisions that would be materially affected by deletion of the rejected portion; provided that such rejected portion shall not affect the validity of the remainder of this Agreement. The Parties acknowledge that nothing in this Agreement shall limit a Party's ability, independent of such Party's agreement to participate in the approval of this Agreement, to assert public policy issues relating to the Act, including challenging the validity of any portion of the Act or an FCC or Commission rule, order, Guideline or other determination made pursuant to the Act, or the application by CBT for

suspension or modification of portions of the Act or rules pursuant to Section 251(f)(2) of the Act. In the event CBT obtains a suspension or modification of any portion of the Act or rules thereunder pursuant to Section 252(f)(2) of the Act, such suspension or modification shall control over the terms of this Agreement and, the Parties shall negotiate as necessary to incorporate the applicable terms and conditions of such suspension or modification into the terms of this Agreement.

15.2 Tariffs. If either Party is required by any governmental authority to file a tariff or make another similar filing to implement any provision of this Agreement (other than a tariff filed by a Party that generally relates to one or more services provided under this Agreement but not specifically to the other Party), such Party shall (i) consult with the other Party reasonably in advance of such filing about the form and substance of such tariff, (ii) provide to such other Party its proposed tariff and obtain such other Party's agreement on the form and substance of such tariff prior to such filing, and (iii) take all steps reasonably necessary to ensure that such tariff or other filing imposes obligations upon such Party that are as close as possible to those provided in this Agreement and preserves for such other Party the full benefit of the rights otherwise provided in this Agreement. If, subsequent to the effective date of any such tariff, a Party is no longer required to file tariffs with the Commission or the FCC, either generally or for specific services, the Parties agree to modify this Agreement to reflect herein the relevant and consistent terms and conditions of such tariffs as of the date on which the requirement to file such tariffs was lifted. Nothing in this **Section 15.2** shall be construed to grant a Party any right to review any tariff filing of the other Party other than as provided under Applicable Law.

15.3 Amendment or Other Changes to the Act; Reservation of Rights. The Parties acknowledge that the respective rights and obligations of each Party as set forth in this Agreement are based in part on the text of the Act and the rules and regulations promulgated thereunder by the FCC and the Commission as of the Effective Date. In the event of any amendment to the Act, or any effective legislative, regulatory, judicial order, rule or regulation or other legal action that revises or reverses the Act, the FCC's First Report and Order in CC Docket Nos. 96-98 and 95-185, and CC Docket No. 96-166, or any applicable Commission rule, Local Service Guideline, order or arbitration award purporting to apply the provisions of the Act (individually and collectively, an "**Amendment to the Act**"), either Party may, by providing written notice to the other Party require that any provision that would be materially affected by the Amendment to the Act be renegotiated in good faith and this Agreement be amended accordingly to reflect each such Amendment to the Act relating to any of the provisions in this Agreement. If any such amendment to this Agreement affects any rates or charges of the services provided hereunder, each Party reserves its rights and remedies with respect to the collection of such rates or charges; including the right to seek a surcharge before the applicable regulatory authority.

15.4 Regulatory Changes. If any legislative, regulatory, judicial or other legal action (other than an Amendment to the Act, which is provided for in **Section 15.3**) materially affects the ability of a Party to perform any material obligation under this Agreement, a Party may, on thirty (30) days' written notice to the other Party (delivered not later than thirty (30) days following the date on which such action has become legally binding), require that the affected provision(s) be renegotiated, and the Parties shall renegotiate in good faith such mutually

acceptable new provision(s) as may be required; provided that such affected provisions shall not affect the validity of the remainder of this Agreement.

ARTICLE XVI MISCELLANEOUS

16.1 Authorization.

16.1.1 Cincinnati Bell Telephone Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Ohio and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

16.1.2 NOW Communications, Inc. is a corporation duly organized, validly existing and in good standing under the laws of the State of Mississippi and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. NOW represents and warrants to CBT that it has been certified as a reseller by the Commission and is authorized to provide, within the areas where it intends to provide services pursuant to this Agreement in the Commonwealth of Kentucky, the services it has contracted to purchase for resale herein.

16.2 Designation of Affiliate.

16.2.1 Each Party may without the consent of the other Party fulfill its obligations under this Agreement by itself or may cause its affiliates to take some or all of such actions to fulfill such obligations. Upon such designation, the affiliate shall become a co-obligor hereunder with respect to the delegated matter, but such designation shall not relieve the designating Party of its obligations as primary obligor hereunder. Any Party which elects to perform its obligations through an affiliate shall cause its affiliate to take all action necessary for the performance hereunder of such Party's obligations. Each Party represents and warrants that if an obligation under this Agreement is to be performed by an affiliate, such Party has the authority to cause such affiliate to perform such obligation and such affiliate will have the resources required to accomplish the delegated performance.

16.3 Subcontracting. Either Party may subcontract the performance of its obligation under this Agreement without the prior written consent of the other Party; provided, however, that the Party subcontracting such obligation shall remain fully responsible for the performance of such obligation and be solely responsible for payments due its subcontractors.

16.4 Independent Contractor. Each Party shall perform services hereunder as an independent contractor and nothing herein shall be construed as creating any other relationship between the Parties. Each Party and each Party's contractor shall be solely responsible for the withholding or payment of all applicable federal, state and local income taxes, social security taxes and other payroll taxes with respect to their employees, as well as any taxes, contributions or other obligations imposed by applicable state unemployment or workers' compensation acts. Each Party has sole authority and responsibility to hire, fire and otherwise control its employees.

16.5 Force Majeure. Neither Party shall be responsible for any delay or failure in performance of any part of this Agreement (other than obligations to make money payments, reimbursements or issue credits) resulting from any cause beyond the reasonable control of such Party, including acts of nature, acts of God, acts of civil or military authority, any law, order, regulation or ordinance of any government or legal body, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, power blackouts, or unusually severe weather. If a Force Majeure Event shall occur, the Party affected shall give prompt notice to the other Party of such Force Majeure Event specifying the nature, date of inception and expected duration of such Force Majeure Event, whereupon such obligation or performance shall be suspended to the extent such Party is affected by such Force Majeure Event during the continuance thereof and/or be excused from such performance (and the other Party shall likewise be excused from performance of its obligations to the extent such Party's obligations related to the performance so interfered with). The affected Party shall use its reasonable efforts to avoid or remove the cause of nonperformance and the Parties shall give like notice and proceed to perform with dispatch once the causes are removed or cease. In the event of any such excused delay in the performance of a Party's obligation(s) under this Agreement, the due date for the performance of the original obligation(s) shall be extended by a term equal to the time lost by reason of the delay and by a reasonable amount of time required to reconstruct network infrastructure or of the components thereof. Upon the elimination of the delaying condition and to the extent the delaying condition was equally applicable to its own operations, the delaying Party shall perform its obligations at a performance level no less than that which it uses for its own operations. In the event of such performance delay or failure by CBT caused by the force majeure event, CBT agrees to resume performance in a nondiscriminatory manner, and CBT agrees not to favor its own restoration of Telecommunications Services above that of NOW.

16.6 Governing Law

This Agreement shall be governed by and construed in accordance with the Act, except insofar as state law may control any aspect of this Agreement, in which case the domestic laws of the State of Kentucky shall govern, without reference to its conflict of law provisions.

16.7 Taxes.

16.7.1 Each Party purchasing services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges levied against or upon such purchasing Party (or the providing Party when such providing Party is permitted to pass along to the purchasing Party such taxes, fees or surcharges), except for any tax on either Party's corporate existence, status or income. Whenever possible, these amounts shall be billed as a separate item on the invoice. To the extent a sale is claimed to be for resale, the purchasing Party shall furnish the providing Party a proper resale tax exemption certificate as authorized or required by statute or regulation by the jurisdiction providing said resale tax exemption. Failure to timely provide said resale tax exemption certificate will result in no exemption being available to the purchasing Party for any charges invoiced prior to the date such exemption certificate is furnished. With respect to any purchase

of services, facilities, or arrangements, if any Tax is imposed by applicable law on the receipts of the providing Party (Receipts Tax), which law permits the providing Party to exclude certain receipts received from sales for resale to a public utility, distributor, telephone company, local exchange carrier, telecommunications company or other communications company, such exclusion being based solely on the fact that the purchasing Party shall (i) provide the providing Party with notice in writing of its intent to pay the Receipts Tax and (ii) shall timely pay the Receipts Tax to the applicable Tax Authority.

16.7.2 The Party obligated to pay any such taxes may contest the same in good faith, at its own expense, and shall be entitled to the benefit of any refund or recovery; provided that such contesting Party shall not permit any lien to exist on any asset of the other Party by reason of such contest. The Party obligated to collect and remit shall cooperate in any such contest by the other Party. As a condition of contesting any taxes due hereunder, the contesting Party agrees to be liable and indemnify and reimburse the other Party for any additional amounts that may be due by reason of such contest, including any interest and penalties.

16.8 Non-Assignment. Neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third person without the prior written consent of the other Party; provided that each Party may assign or transfer this Agreement to an affiliate in accordance with **Section 16.2** by providing prior written notice to the other Party of such assignment or transfer; provided, further, that such assignment is not inconsistent with Applicable Law or the terms and conditions of this Agreement. No assignment or delegation hereof should relieve the assignor of its obligation under this Agreement. Any attempted assignment or transfer that is not permitted is void ab initio. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns and the assigning Party will remain liable for the performance of any assignee.

16.9 Non-Waiver. No waiver of any provision of this Agreement and no consent to any default under this Agreement shall be effective unless the same shall be in writing and properly executed by or on behalf of the Party against whom such waiver or consent is claimed. Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a general waiver or relinquishment of such term, condition, right or privilege.

16.10 Notices. Notices given by one Party to the other Party under this Agreement shall be in writing (unless specifically provided otherwise herein) and unless otherwise specifically required by this Agreement to be delivered to another representative or point of contact, shall be (a) delivered personally, (b) delivered by express delivery service, (c) mailed, certified mail or first class U.S. mail postage prepaid, return receipt requested or (d) delivered by telecopy, with a confirmation copy sent by a method described in (a), (b) or (c) of this **Section 16.10**, to the following addresses of the Parties:

To NOW:

NOW Communications, Inc.
1695 High Street, Suite B

Jackson, Mississippi 39202
Attn: Larry W. Seab, President and CEO
Facsimile: (601) 969-6656

To CBT:

Cincinnati Bell Telephone Company
201 E. Fourth Street, 102 - 910
Cincinnati, Ohio 45201-2301
Attn: Vice President - Regulatory Affairs
Facsimile: (513) 397-2408

with a copy to:

Cincinnati Bell Telephone Company
201 E. Fourth Street, Room 715
Cincinnati, Ohio 45201-2301
Attn: Thomas E. Taylor, Senior Vice President and General Counsel
Facsimile: (513) 721-7358

or to such other address as either Party shall designate by proper notice. Actual notice will be required in order to commence any time periods in this Agreement which require notice to the other Party.

16.11 Publicity and Use of Trademarks or Service Marks. Neither Party nor its subcontractors or agents shall use the other Party's trademarks, service marks, logos or other proprietary trade dress in any advertising, press releases, publicity matters or other materials without such Party's prior written consent, except as permitted by Applicable Law. In no event shall either Party mischaracterize the contents of this Agreement in any public statement or in any representation to a governmental entity or member thereof.

16.12 Nonexclusive Dealings. This Agreement does not prevent either Party from providing to or purchasing services from any other person nor does it obligate either Party to purchase any services from the other Party.

16.13 Section 252(i) Obligations. The Parties shall comply with their obligations under Section 252(i) of the Act.

16.14 No Third Party Beneficiaries; Disclaimer of Agency. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein express or implied shall create or be construed to create any third-party beneficiary rights hereunder. Nothing in this Agreement shall constitute one Party as the legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party, unless otherwise expressly permitted by such other Party. No Party undertakes to perform any

obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

16.15 Survival. The Parties' obligations under this Agreement, which by their nature are intended to continue beyond the termination or expiration of this Agreement, shall survive the termination or expiration of this Agreement, including Articles VII, VIII, XI, XII, XIV and Sections 2.11.3, 16.7, 16.11 and 16.14.

16.16 Scope of Agreement. This Agreement is intended to describe and enable specific Wholesale Resale Services and compensation arrangements between the Parties. This Agreement does not obligate either Party to provide arrangements not specifically provided herein.

16.17 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original; but such counterparts shall together constitute one and the same instrument.

16.18 Reservation of Rights. The Parties acknowledge that certain terms of this Agreement were established by order of the Commission. The terms of this Agreement may be altered or abrogated by a successful challenge instituted under applicable law before or after the Agreement has been approved pursuant to 47 U.S.C. § 252(e)(1) or has been deemed approved by operation of law pursuant to 47 U.S.C. § 252(e)(4). By signing this Agreement, a Party does not waive its right to pursue such a challenge.

16.19 Entire Agreement. The terms contained in this Agreement and any Schedules, Exhibits, tariff provisions referenced herein and other documents or instruments referred to herein, which are incorporated into this Agreement by this reference, constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written. Neither Party shall be bound by any terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications. This Agreement may only be modified by a writing signed by an officer of each Party.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of this ___ day of _____, 1999.

NOW COMMUNICATIONS, INC.

CINCINNATI BELL TELEPHONE
COMPANY

By: _____

By: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

SCHEDULE 1.2

DEFINITIONS

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

“Affiliate” is as defined by the Act.

“Automatic Location Identification” or **“ALI”** means a feature by which the service address associated with the calling party’s listed telephone number identified by ANI, as defined herein, is forwarded to the PSAP for display. Additional telephones with the same number as the calling party’s, including secondary locations and off-premise extensions, will be identified with the service address of the calling party’s listed number.

“Basic POTS Service” means basic residence or business dial tone access line for voice grade service that does not require any special design or conditioning.

“Business Day” means Monday through Friday excluding the following holidays: New Years Day (or closest weekday), President’s Day, Good Friday, Memorial Day, Independence Day (or closest weekday), Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day (or closest weekday).

“Centrex” means a Telecommunications Service associated with a specific grouping of lines that uses Central Office switching equipment for call routing to handle direct dialing of calls and to provide many private branch exchange-like features.

“CLASS Features” means certain CCIS-based features available to Customers, including: Automatic Call Back; Caller Identification and related blocking features; Distinctive Ringing/Call Waiting; Selective Call Forward; and Selective Call Rejection.

“Commission” or **“KPSC”** means the Kentucky Public Service Commission.

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

“Customer” means a third-party residence or business that subscribes to Telecommunications Services provided by either of the Parties.

“Customer Listing(s)” means a list containing the names, the telephone numbers, addresses and zip codes of Customers within a defined geographical area, except to the extent such Customers have requested not to be listed in a directory.

“Data Management System” or **“DMS”** means a system of manual procedures and computer processes used to create, store and update the data required to provide the Selective Routing (**“SR”**) and ALI features.

“Delaying Event” means (a) any failure of a Party to perform any of its obligations set forth in this Agreement, caused in whole or in part by (i) the failure of the other Party to perform any of its obligations set forth in this Agreement, or (ii) any delay, act or failure to act by the other Party or its Customer, agent or subcontractor; or (b) any Force Majeure Event.

“Directory Listings” refers to subscriber information, including but not limited to name, address and phone numbers, that is published in any media, including but not limited to traditional white/yellow page directories, specialty directories, CD ROM and other electronic formats.

“E9-1-1” or **“Enhanced 9-1-1 (E9-1-1) Service”** provides completion of 9-1-1 calls via dedicated trunking facilities and includes Automatic Number Identification (ANI), Automatic Location Identification (ALI) and/or Selective Routing (SR).

“Exchange Area” means an area, defined by the Commission, for which a distinct local rate schedule is in effect.

“Exchange Message Record” or **“EMR”** means the standard used for exchange of Telecommunications message information among Telecommunications providers for billable, non-billable, sample, settlement and study data. EMR format is contained in Bellcore Practice BR-010-200-010 CRIS Exchange Message Record.

“FCC” means the Federal Communications Commission.

“Intellectual Property” means copyrights, patents, trademarks, trade-secrets, mask works and all other intellectual property rights.

“Interexchange Carrier” or **“IXC”** means a carrier that provides interLATA or intraLATA Telephone Toll Services.

“IntraLATA Toll Traffic” means all IntraLATA calls other than Local Traffic and ISP traffic..

“Line Information Data Base(s)” or **“LIDB”** means one or all, as the context may require, of the Line Information Data Bases owned individually by ILECs and other entities which provide, among other things, calling card validation functionality for telephone line number cards. A LIDB also contains validation data for collect and third number-billed calls, which include billed number screening.

“Local Traffic” means traffic that is originated by an end user of one Party and terminates to the end user of the other Party within the Parties’ then current local serving area, including traffic between a LEC and a CMRS provider that at the beginning of the call,

originates and terminates within the same Major Trading Area (MTA). Local traffic does not include Internet Service Provider (ISP) traffic originated by an end user of one Party and routed to an ISP Point of Presence.

“Loss” or **“Losses”** means any and all losses, costs (including court costs), claims, damages (including fines, penalties, and criminal or civil judgments and settlements), injuries, liabilities and expenses (including attorneys' fees).

“Normal Business Hours” means 8:00 a.m. to 5:00 p.m., EST/EDT, on Business Days.

“Party” means either CBT or NOW, and **“Parties”** means CBT and NOW.

“PIC” means primary Interexchange Carrier.

“Primary Listing” means the single White Pages directory listing for residence and business Customers provided by CBT, and the basic Yellow Pages directory listing provided for business Customers by Publisher. Each telephone configuration that allows a terminating call to hunt for an available line among a series of lines shall be considered a single Customer entitled to a single primary listing.

“Public Safety Answering Point” or **“PSAP”** means an answering location for 9-1-1 calls originating in a given area. A PSAP may be designated as Primary or Secondary, which refers to the order in which calls are directed for answering. Primary PSAPs respond first; Secondary PSAPs receive calls on a transfer basis only, and generally serve as a centralized answering location for a particular type of emergency call. PSAPs are staffed by employees of Service Agencies such as police, fire or emergency medical agencies or by employees of a common bureau serving a group of such entities.

“Publisher” means CBT's Yellow Pages Directories publisher.

“Telecommunications Act” means the Telecommunications Act of 1996, and as from time to time interpreted in the duly authorized rules and regulations of the FCC or the Commission having authority to interpret the Act within its state of jurisdiction.

“Telephone Relay Service” means a service provided to speech-and hearing-impaired callers that enables such callers to type a message into a telephone set equipped with a keypad and message screen and to have a live operator read the message to a recipient and then type the message recipient's response to the speech-or hearing-impaired caller.

SCHEDULE 2.1

PRICING SCHEDULE

1.0 RESALE DISCOUNTS

Subject to changes due to decisions of the Commission or other applicable laws, rules, regulations or orders, CBT shall apply a wholesale discount of sixteen point seven-four percent (16.74%) to all discounted resale services.

2.0 MIGRATION CHARGES FOR RESALE SERVICES

These retail charges, less the resale discount, apply for both Migration-as-is and Migration-as-specified. For all migrations a “Change of Billing Arrangement” charge applies, less the resale discount. If additional work is being performed, additional appropriate nonrecurring charges apply, less the resale discount.

	<u>Retail Rates</u>	
	<u>Nonresidence</u>	<u>Residence</u>
1. Change of Billing arrangements		
Complex Service(all but single line)	\$32.98	\$33.70
Non-Complex Service (single line)	\$10.27	\$10.49
2. Change from one type or grade of Exchange Access line to another	\$12.24	\$12.50
3. Change from one class of exchange access line to another (Residence to Nonresidence and vice versa)	\$20.74	\$21.19
4. Change Telephone Number	\$20.74	\$21.19

Note: Only one (the greater) of the above charges applies, on a per line basis, to any work requested for simultaneous completion at the time of the order. If additional services are added, appropriate nonrecurring charges apply. For example, to add a custom calling service, the nonrecurring charge of \$6.50 less the appropriate resale discount applies.

3.0 OTHER CHARGES (non-discounted and where applicable)

Rates

- | | | |
|-----|-----------------------------|---------------------------------------|
| (a) | End User Common Line Charge | See Access Service Tariff, FCC No. 35 |
| (b) | PIC Change Charge | See Access Service Tariff, FCC No. 35 |
| (c) | E911 Surcharge | See General Exchange Tariff |
| (d) | Relay Service Surcharge | See General Exchange Tariff |

4.0 ADDITIONAL ENGINEERING AND ADDITIONAL LABOR CHARGES

These charges apply as specified in CBT's Access Tariff FCC No. 35, whenever there are requirements for Service Coordination, Stand-by, and Outside Normal Business Hours Installation and Repair.

5.0 INFORMATION PAGES IN CUSTOMER GUIDE SECTION OF CINCINNATI BELL AREA ALPHABETICAL DIRECTORY

The charge inclusion of NOW information pages in CBT directories will be assessed on the same basis as costs incurred by CBT for similar printing.

For example, the 1997 cost for inclusion of a page in the customer guide section was \$.0015 per directory printed (1.3 Million), or \$1,950 per printed page. The cost per printed page is dependent upon costs, such as paper prices, in effect at the time of printing. In addition to the variable cost per printed page, there will be a fixed set up charges for formatting (1997 price was \$350 per page). If NOW wishes to share an information page with other CLECs who agree to this arrangement, the per-page charge to each CLEC will be proportionately reduced.

SCHEDULE 2.3.1

GRANDFATHERED SERVICES

KENTUCKY

GENERAL EXCHANGE TARIFF PSCK NO. 8 (GET)

EXCHANGE RATE TARIFF PSCK NO. 1 (ERT)

TOPIC	TARIFF	SECTION	PAGE
CENTREX Type I and II	GET	24	ALL
Combination Basic Exchange Service	GET	3	ALL
Direct Inward Dialing - 100 Number Blocks	GET	15	193.1
PBX Secretarial Switchboards	GET	15	198, 199
Measured Service	ERT	1, 2	5.1, 6.1
Joint User	GET	12	ALL

SCHEDULE 2.3.2

SCHEDULED TO BE WITHDRAWN SERVICES

KENTUCKY

NONE

SCHEDULE 2.9

RESALE STANDARD INTERVALS

A. Standard Intervals - Installation

<u>Performance Activity</u>	<u>Conditions/Quantity</u>	<u>Standard Interval (Business days)</u>
Basic POTS Service	Facilities available - no premises visit required	2
	Facilities available - premises visit required	5
	No facilities	Negotiated
	More than 10 lines at one location	Negotiated
Vertical Features (add, change, or remove)	n/a	Next business day by 5pm
ISDN-BRI	n/a	10
PBX Trunks (In a new trunk group)	1-4 trunks	10
	5-8 trunks	15
	9+ trunks	Negotiated
PBX Trunks (add to existing group)	1-10 trunks	5
	11-20 trunks	10
	21+ trunks	Negotiated
Trunk Advantage & Prime Advantage	1-48 trunks (Facilities available)	10
	49+ trunks	Negotiated
	No facilities available	Negotiated

B. Standard Intervals - Repair

Under normal operating conditions, CBT's performance target is to clear Out-of-Service trouble reports within 24 hours. CBT will measure and report the percent of out-of-service trouble reports cleared within 24 hours for basic local exchange service.

<u>Performance Activity</u>	<u>Conditions/Quantity</u>	<u>Standard Interval</u>
Repair Service	Out-of-Service (no dial tone)	24 hours

SCHEDULE 2.11.1

FORM OF REPRESENTATION OF AUTHORIZATION

NOW/CBT hereby represents to CBT/NOW, for purposes of obtaining a Customer's Customer Proprietary Network Information (“CPNI”) or for placing an order to change or establish a Customer's service, that it is a duly certificated LEC and that it is authorized to obtain CPNI and to place orders for Telephone Exchange Service (including Wholesale Resale Service) upon the terms and conditions contained herein.

1. With respect to requests for CPNI regarding prospective Customers of NOW/CBT (*i.e.*, those Customers for whom NOW/CBT has not obtained Documentation of Authorization to provide Telephone Exchange Service), NOW/CBT acknowledges that it must obtain written or electronic authorization in the form of a signed letter, tape-recorded conversation, to the extent allowed by applicable law, password verification, or by other means, in each case as approved by the FCC or the Commission (“**Documentation of Authorization**”), that explicitly authorizes NOW/CBT to have access to the prospective Customer's CPNI. However, NOW/CBT may obtain a blanket Document of Authorization for the Customer authorizing the release of CPNI to NOW/CBT covering any and all requests for such CPNI made over a period of time designated by such authorization. The Documentation of Authorization must be made by the prospective Customer or the prospective Customer's authorized representative. In order to obtain the CPNI of the prospective Customer, NOW/CBT must submit to CBT/NOW the Documentation of Authorization. If NOW/CBT cannot provide applicable Documentation of Authorization, then CBT/NOW shall not provide CPNI to NOW/CBT.
2. CBT/NOW will only disclose CPNI to agents of NOW/CBT identified in the Documentation of Authorization.
3. If NOW/CBT has already obtained Documentation of Authorization from the Customer to place an order for Telephone Exchange Service for the Customer, NOW/CBT need not submit Documentation of Authorization to obtain the Customer's CPNI.
4. With respect to placing a service order for Telephone Exchange Service (including Wholesale Resale Services) for a Customer, NOW/CBT acknowledges that it must obtain Documentation of Authorization that explicitly authorizes NOW/CBT to provide Telephone Exchange Service to such Customer. The Documentation of Authorization must be made by the prospective Customer or Customer's authorized representative. NOW/CBT need not submit the Documentation of Authorization to process a service order. However, NOW/CBT hereby represents that it will not submit a service order to CBT/NOW unless it has obtained appropriate Documentation of Authorization from the prospective Customer and has such Documentation of Authorization in its possession.
5. The Documentation of Authorization must clearly and accurately identify NOW/CBT and the prospective Customer.

6. NOW/CBT shall retain or be able to produce all Documentation of Authorization for as long as NOW/CBT provides Telephone Exchange Service to the Customer or for as long as NOW/CBT makes requests for information on behalf of the Customer.
7. NOW/CBT shall provide, during Normal Business Hours, Documentation of Authorization for Customers or prospective Customers to CBT/NOW upon request, when such Documentation of Authorization is at issue.
8. NOW/CBT is responsible for, and shall hold CBT/NOW harmless from, any and all Losses (as defined in that certain Local Exchange Telecommunications Services Resale Agreement), dated as of _____, 1999, by and between CBT and NOW (the **“Resale Agreement”**) resulting from CBT/NOW's reliance upon NOW/CBT's representations as to its authority to act on behalf of a Customer or prospective Customer in obtaining CPNI or placing a service order for Telephone Exchange Service.
9. If NOW/CBT fails to repeatedly and materially abide by the procedures set forth herein, CBT/NOW reserves the right to insist upon the submission of Documentation of Authorization for each Customer in connection with a request for a service order.
10. This Representation of Authorization shall commence on the date noted below and shall continue in effect until the termination or expiration of the Resale Agreement.

Dated this ____ day of _____ 1999.

NOW COMMUNICATIONS, INC.

CINCINNATI BELL TELEPHONE
COMPANY

By: _____

By: _____

Title: _____

Title: _____

Printed Name: _____

Printed Name: _____

SCHEDULE 2.12.4

LAW ENFORCEMENT INTERFACES

1.0 Introduction.

Consistent with Applicable Law, it is necessary for NOW and CBT to provide interface requirements to allow NOW to use a standard set of procedures for meeting the requirements of applicable law enforcement agencies (**Law Enforcement Process**). The Law Enforcement Process will enable NOW to provide identical services to its Customers, as CBT provides to its customers with regard to such Law Enforcement Procedures. These services include Annoyance Call Bureau, wire intercept, trap and trace, fraud control, physical security and subpoena management, both civil and criminal. NOW will compensate CBT for costs CBT incurs in order to perform the Law Enforcement Process for the benefit of NOW and NOW's customers.

2.0 Law Enforcement.

Definition - The Law Enforcement Process assures that NOW (as a reseller of Wholesale Resale Services) is in compliance with law enforcement requirements related to providing local Services to its Customers. The Parties agree to comply with law enforcement requirements as provided by the CALEA.

3.0 Annoyance Call Bureau.

3.1 Definition - CBT Annoyance Call Bureau (CACB) conducts investigations to help determine the source of unwanted calls after victims receive annoying calls and file an official complaint with the local law enforcement agency. Annoying calls include: threatening, harassing, obscene, prank, hang-ups, unwanted sales pitches, and survey calls. The information obtained will only be released to the local law enforcement agency.

3.2 When NOW must initiate a trap or trace as a result of its customer receiving an annoying call (e.g., threatening, harassing, obscene, prank, hang-ups, unwanted sales pitches and survey calls), the following operational interfaces should occur:

3.2.1 NOW (the reseller) shall inform its Customer that it must file a formal complaint with the local police department and obtain agency's name, officer's name and case or report number.

3.2.2 NOW shall contact CACB on behalf of its Customer and provide the required information to initiate trap or call trace.

3.2.3 The CACB shall conduct investigations to determine the source of the unwanted call; work with local police departments to gather evidence; and testify in court, if required, on behalf of NOW Customers who have received annoying calls. The CACB will build case for and establish trap for twenty-one (21) days. NOW shall contact the CACB to renew the trap beyond twenty-one (21) days.

3.2.4 The CACB shall provide to NOW a local number that will be accessible on Business Days from 8:00 a.m. - 5:00 p.m.

3.2.5 For non-emergency (not life-threatening) situations, NOW shall advise its Customer to contact its local Law Enforcement Agency and to provide NOW with required information to initiate a trap or call trace. NOW will contact the CACB during standard operating hours to establish a case. For emergency (life-threatening) situations, NOW shall inform its Customer to contact the appropriate Law Enforcement Agency, and this Agency will contact CBT to initiate a trap or call trace.

3.2.6 Additionally, for emergency situations, CBT corporate security will provide NOW representatives with an emergency security contact available seven (7) days a week, twenty-four (24) hours a day, and NOW will provide CBT representatives with an emergency security contact seven (7) days a week, twenty-four (24) hours a day.

3.2.7 NOW's Customer must contact NOW with the dates and times of the unwanted calls. NOW shall fax the dates and times of the unwanted calls to the Annoyance Call Bureau.

3.2.8 At the end of the tracing investigation (twenty-one (21) day period), the CACB shall send written confirmation to NOW informing NOW of the disposition of the case (i.e., successful or non-successful). All evidence obtained on a successful case will be forwarded to the local Law Enforcement Agency which NOW identified to the CACB. NOW shall inform its Customer of the results of the investigation.

3.2.9 If NOW Customers call CBT to initiate an annoying call report, CBT shall advise the person receiving the annoying or harassing call to call NOW.

4.0 Wire Intercept.

4.1 Definition - Requests from Law Enforcement Agencies to conduct a form of electronic or mechanical eavesdropping where, upon court order, law enforcement officials surreptitiously monitor phone calls (e.g., conversations or data) of NOW Customers.

4.2 Operational Interface Requirements - The Law Enforcement Agency (e.g., local, state or federal police department or government organization) shall serve CBT with a court order, authorizing CBT to conduct a wire intercept on the NOW Customer line.

5.0 Pen Register (Dial Number Recorder).

5.1 Definition - Requests from Law Enforcement Agencies to conduct a Aform® of identifying calls dialed by NOW Customers in local Exchange Areas. A pen register is a mechanical device that records the numbers dialed or pulsed on a telephone by monitoring the electrical impulses caused when the dial on the telephone is released. A pen register does not overhear oral communications and does not indicate whether calls are actually completed; thus, there is no recording or monitoring of the conversations.

5.2 Operational Interface Requirements - See Wire Intercept, Section 4.1.

6.0 Trace.

6.1 Definition - A form of electronic identification of calling numbers, where, upon consent from the NOW Customer (via NOW) or court order, law enforcement officials request a record of calling numbers to the premises of the NOW Customer.

6.2 Central Office Features - Call Trace is an advanced custom calling feature that provides NOW direct line Customers the ability to activate the feature by dialing a designated code. This will automatically trace the telephone number of the line used for the last call received by the Customer. The traced number will not be provided to the Customer but will be provided to law enforcement officials.

7.0 Subpoena Management.

7.1 Definition - The law enforcement or civil process initiated to compel the production of certain specific documents (e.g., Customer information, name, address, service type, call usage records, etc.) relevant to a legal proceeding are made and make them readily retrievable by local police departments, government organizations and attorneys. Other legal demands require the capability to honor other legal process demands (e.g., establishment of dialed number recorders, wire intercepts, and trace services, etc.)

7.2 Operational Interface Requirements - The Law Enforcement Agency (e.g., local, state or federal police department, government organization or attorney) or civil litigant shall serve CBT an original subpoena naming CBT in its court document for requests for Customer information (see above definition). CBT shall forward call trace information to the Law Enforcement Agency for inquiries regarding NOW Customers. If the Law Enforcement Agency serves NOW the original subpoena, NOW shall forward a copy of the original subpoena to CBT and advise the Law Enforcement Agency to re-send an original subpoena naming CBT in its court document. CBT shall notify NOW of the resolution of the investigation, if permitted. However, CBT shall only provide the results of the investigation to the proper Law Enforcement Agency. For civil subpoena, CBT will provide the requested information to the extent that the information is in its possession and is non-privileged.

7.3 Operations Interface Requirements for calls originating from a long distance carrier, computer, fax machine, pay phones and telemarketing calls to NOW's Customers are pending further discussions with CBT.

SCHEDULE 2.13

RESALE MAINTENANCE PROCEDURES

The Resale Guide, to be provided by CBT, will describe the processes to be used by the Parties for maintenance of Wholesale Resale Services for the implementation of the requirements of this **Schedule 2.13**.

1. CBT shall provide repair, maintenance and testing for all Wholesale Resale Services in accordance with the terms and conditions of this **Schedule 2.13**. NOW shall handle all interaction with NOW Customers, including all calls regarding service problems, scheduling of technician visits, and notifying the subscriber of trouble status and resolution.
2. CBT technicians shall provide repair service that is equal in quality to that provided to CBT Customers; trouble calls from NOW Customers shall receive response time priority that is at parity to that of CBT Customers and shall be based on trouble severity, regardless of whether the Customer is a NOW Customer or a CBT Customer.
3. CBT shall provide NOW with the same scheduled and non-scheduled maintenance, including required and recommended maintenance intervals and procedures, for all Wholesale Resale Services provided to NOW under this Schedule that it currently provides for its own customers. CBT shall provide NOW notice of any scheduled maintenance activity that may impact NOW's Customers on the same basis it provides such notice to its retail Customers. Scheduled maintenance shall include such activities as switch software retrofits, power tests, major equipment replacements and cable rolls.
4. CBT shall provide notice of non-scheduled maintenance activity that may impact NOW Customers. Details of notification procedures will be addressed by the Resale Guide. CBT shall provide maintenance as promptly as possible to maintain or restore service and shall advise NOW of any such actions it takes.
5. If service is provided to NOW Customers before an Electronic Interface (EI) is established between NOW and CBT, NOW will transmit repair calls to CBT repair bureau by telephone.
6. The CBT repair bureau, including the EI, shall be on-line and operational twenty-four (24) hours per day, seven (7) days per week, except when preventative maintenance and software revisions require an out-of-service condition. CBT will provide NOW a twenty-four (24)-hour advanced notification of such out-of-service conditions.
7. CBT shall provide progress reports and status-of-repair efforts to NOW upon request. CBT shall inform NOW of restoration of Resale Service after an outage has occurred.
8. Maintenance charges for premises visits by CBT technicians shall be billed to NOW, not to NOW's customers, by CBT. The CBT technician shall, however, present the Customer with an unbranded form to identify NOW, NOW's address, and NOW's customer service telephone number detailing the time spent, the materials used and an indication that the trouble has either been resolved or that additional work will be necessary, in which case

the CBT technician shall make an additional appointment with the Customer and notify NOW as to the schedule of the appointment. The CBT technician shall obtain the Customer's signature when available upon said form and then use the signed form to input maintenance charges into CBT's repair and maintenance database.

9. Dispatching of CBT technicians to NOW Customer premises shall be accomplished by CBT pursuant to a request received from NOW. The EI established between the Parties shall have the capability of allowing NOW to submit trouble reports, analyze and sectionalize the trouble, determine whether it is necessary to dispatch a service technician to the Customer's premises and verify any actual work completed on the Customer's premises.

10. Critical or Expedited Troubles.

Upon receiving a referred trouble from NOW, the CBT technician will offer a dispatch appointment and quoted repair time dependent upon CBT's force-to-load condition. CBT's maintenance administrators will override this standard procedure on a non-discriminatory basis, using the same criteria as CBT uses to expedite intervals for itself and its subsidiaries, Affiliates and retail customers. If CBT will be unable to meet a NOW expedited request, CBT will notify NOW and NOW will have the option to implement the escalation process described in the Resale Guide.

SCHEDULE 2.13.2

SERVICE ORDERING AND PROVISIONING PROCEDURES AND INTERFACE FUNCTIONALITY

1. Service ordering and provisioning procedures will provide NOW with the ability to:
 - (a) Obtain, during sales discussions with a Customer, access to the following CBT Customer service record data in a manner that is transparent to the Customer:
 - \$ Billing telephone number/name/address
 - \$ Service Location Address
 - \$ Working telephone number(s) on the account
 - \$ Existing service and features
 - \$ Blocking
 - \$ CLASS Features
 - \$ Telephone Assistance Programs, Telephone Relay Service and similar services indicator
 - \$ Directory Listing Information
 - \$ Information necessary to identify the IntraLATA toll provider and InterLATA provider, as applicable
 - (b) Obtain information on all features and services available;
 - (c) Order all desired features and services for the NOW Customer.
 - (d) Assign a telephone number (if the NOW Customer does not have one assigned);
 - (e) Establish the appropriate directory listing;
 - (f) Determine if a service call is needed to install the line or service;
 - (g) Schedule dispatch and installation, if applicable;
 - (h) Provide installation dates to Customer;
 - (i) NOW Customer's choice of both IntraLATA and InterLATA carrier; and
 - (j) Suspend, terminate or restore service to a NOW Customer;

CBT will support four (4) transaction types: Assume, Change, New and Delete.

2. NOW shall be entitled to place orders to transfer a Customer to NOW without identifying the specific features and services being subscribed by such Customer at the time of the request, if these features and services will not change ("**Migration-As-Is**"). If a Customer requests changes to its features and/or such service at the time of transfer, as part of a request for "**Migration-As-Specified**", NOW must specify all customer features and/or services, including those that remain the same and those that are to change.

Unless agreed to by CBT, Migration-As-Is and Migration-As-Specified orders will not include any service subscribed that is not a Telecommunications Service.

3. General Resale Ordering and Provisioning Requirements.

- (a) CBT shall provide provisioning services to NOW during Normal Business Hours, Business Days. NOW may request CBT to provide Saturday, Sunday, holiday and/or off-hour provisioning services. If NOW requests that CBT perform provisioning services at times or on days other than as required in the preceding sentence, CBT shall provide such services on a time and materials basis for all personnel involved in such activity at rates set forth in **Schedule 2.1**.
- (b) CBT shall provide a NOW Service Center (**ALEC-C®**) for ordering and provisioning contacts and order flow involved in the purchase and provisioning of CBT's Wholesale Resale Services. The LEC-C shall provide an electronic interface for all ordering and provisioning order flows. The LEC-C shall provide to NOW a telephone number, answered during Normal Business Hours, Business Days, by capable staff.
- (c) CBT will recognize NOW as the Customer of Record of all Wholesale Resale Services ordered by NOW and will send all notices, invoices and pertinent Customer information directly to NOW.
- (d) When requested by NOW, CBT will schedule installation appointments with CBT's representative on the line with NOW's representative until NOW has access to CBT's scheduling system.
- (e) CBT will provide NOW with a Firm Order Confirmation (**AFOC®**) for each order within the interval as stated in the Resale Guide. The FOC must contain an enumeration of NOW's ordered resale features, options, physical Interconnection, quantity and CBT commitment date for order completion (**ACommitted Due Date®**), which commitment date shall be established on a non-discriminatory basis with respect to installation dates for comparable orders at such time.
- (f) As soon as reasonably practicable, CBT shall provide notification of NOW orders that are incomplete or incorrect and therefore cannot be processed.
- (g) As soon as reasonably practicable, CBT shall provide notification of any instances when CBT's Committed Due Dates are in jeopardy of not being met by CBT on any element or feature contained in any order for Wholesale Resale Services. CBT shall indicate its new committed due date within twenty-four (24) hours.
- (h) CBT shall provide to NOW upon request:
 - (1) a list of all services and features and InterLATA and IntraLATA PICs technically available from each switch that CBT may use to provide Local Switching, by switch CLLI;
 - (2) detail of the service coverage area of each switch CLLI; and

- (3) Industry standard notification to carriers regarding information on the details and requirements for planning and implementation of NPA splits;
 - (i) For Wholesale Resale Services that require coordination among CBT, NOW and NOW's Customer, NOW shall be responsible for any necessary coordination with the NOW Customer.
4. CBT shall recognize NOW as an agent for the subscriber in coordinating the disconnection of services provided by another reseller or CBT, provided that NOW has obtained proper authorization from the Customer.
5. Number Administration/Number Reservations.
 - (a) CBT shall provide NOW with the ability to reserve telephone numbers for all services, including reservation of vanity numbers, and the same range of number choices, and reservation duration as CBT provides its own subscribers. Reservation and aging of numbers shall remain CBT's responsibility.
 - (b) On the same basis as CBT provides to its retail customers, CBT shall hold up to 100 telephone numbers, per NOW subscriber request.
6. Service Migrations and New Subscriber Additions: For Wholesale Resale Services, CBT shall not require a disconnect order from a subscriber, another local service provider or any other entity to process a NOW order to establish NOW Local Service.
7. Order Rejections: As soon as reasonably practicable, CBT shall reject and return to NOW any order that CBT cannot provision and in its reject notification provide an error code identifying the reason(s) why such order was rejected.
8. Service Order Changes
 - (a) If an installation or other NOW-ordered work requires a change from the original NOW service order in any manner, CBT shall notify NOW in advance of performing the installation or other work to obtain authorization. CBT shall then provide NOW an estimate of additional labor hours and/or materials. After all installation or other work is completed, CBT shall notify NOW of actual labor hours and/or materials used in accordance with regular service order completion schedules.
 - (b) If a NOW Customer requests a service change at the time of installation or other work being performed by CBT on behalf of NOW, CBT, while at the Customer premises, shall direct the NOW Customer to contact NOW so as to avoid unnecessary delays in service activation, should the CBT representative leave Customer premises.
9. Special Construction: If the provision of any Wholesale Resale Services requires special construction, NOW shall pay to CBT any applicable special construction charges, as determined in accordance with the Act. If special construction is required, the Parties

shall mutually agree on the nature and manner of such special construction, the applicable charges thereto and the negotiated interval(s) that will apply to the provisioning of such Resale Service(s) in lieu of the standard intervals set forth on **Schedule 2.9**.

10. Systems and Process Testing: CBT shall cooperate with NOW to ensure that all operational interfaces and processes are in place and functioning properly and efficiently.
11. Disconnects: CBT shall provide to NOW daily information notifying NOW of any services disconnected from NOW.

SCHEDULE 2.16

BILLING INFORMATION

1.0 General

1.1 CBT shall record messages as it records messages for itself and as required for future usage based services. Recorded Usage Data includes, but is not limited to, the following categories of information:

- Directory Assistance
- Local Coin
- Toll
- Interrupt
- Verify
- Inmate Services
- Optional Measured Service
- Community Connection Service
- CLASS Features
 - Repeat Dialing
 - Call Return
 - Usage Sensitivity 3-Way Calling
 - Call Tracing
- Calls Completed Via CBT-Provided Operator Services Where CBT Provides Such Service to NOW's Local Service Subscriber
- For CBT-Provided Centrex Service, Station Level Detail Records Shall Include Complete Call Detail and Complete Timing Information

1.2 Retention of Records: CBT shall maintain a machine readable back-up copy of the message detail provided to NOW for a minimum of forty-five (45) calendar days. CBT shall provide any data back-up to NOW upon the request of NOW.

1.3 CBT shall provide to NOW Recorded Usage Data for NOW subscribers. CBT shall not submit other carrier local usage data as part of the NOW Recorded Usage Data.

1.4 CBT shall bill to NOW, not to NOW subscribers, any recurring or non-recurring charges for resold services, including alternate billed calls (i.e., collect, 3rd party, bill-to-ANI).

1.5 CBT shall provide Recorded Usage Data to NOW billing locations as mutually agreed to by both parties.

2.0 Charges

2.1 Unless modifications are mutually agreed upon, CBT shall not charge any fees additional for recording, rating or transmitting usage data.

2.2 No charges shall be assessed for incomplete call attempts.