

ORIGINAL

**Agreement Between BellSouth Telecommunications, Inc. and
American Communication Services, Inc. Regarding The Sale of BST's Telecommunications Services
to Reseller For The Purposes of Resale**

THIS AGREEMENT is by and between BellSouth Telecommunications, Inc., ("BellSouth or Company"), a Georgia corporation, and American Communications Services, Inc. ("Reseller"), a Delaware corporation, on behalf of its operating subsidiaries and shall be deemed effective as of December 20, 1996.

WITNESSETH

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

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

_____ ; and

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

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

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

I. Term of the Agreement

A. The term of this Agreement shall be six months beginning December 20, 1996 and shall apply to all of BellSouth's serving territory as of January 1, 1996, in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, South Carolina and Tennessee.

B. This Agreement shall be automatically renewed for successive six month periods unless either party indicates its intent not to renew the Agreement. Notice of such intent must be provided, in writing, to the other party no later than 30 days prior to the end of the then-existing contract period. The terms of this Agreement shall remain in effect after the term of the existing agreement has expired and while a new agreement is being negotiated.

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

II. Definition of Terms

A. **CUSTOMER CODE** means the three digit number following a customer's telephone number as shown on the customer's bill.

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

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

D. END USER means the ultimate user of the telecommunications services.

E. END USER CUSTOMER LOCATION means the physical location of the premises where an end user makes use of the telecommunications services.

F. NEW SERVICES means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.

G. OTHER LOCAL EXCHANGE COMPANY (OLEC) means a telephone company certificated by the public service commissions of the Company's franchised area to provide local exchange service within the Company's franchised area.

H. RESALE means an activity wherein a certificated OLEC, such as Reseller subscribes to the telecommunications services of the Company and then reoffers those telecommunications services to the public (with or without "adding value").

I. RESALE SERVICE AREA means the area, as defined in a public service commission approved certificate of operation, within which an OLEC, such as Reseller, may offer resold local exchange telecommunications service.

III. General Provisions

A. Reseller may resell the tariffed local exchange and toll telecommunications services of BellSouth subject to the terms, and conditions specifically set forth herein. Notwithstanding the foregoing, the following are not available for purchase: Grandfathered services; promotional and trial retail service offerings; lifeline and linkup services; contract service arrangements; installment billing options; 911 and E911 services; interconnection services for mobile service providers; legislatively or administratively mandated specialized discounts (e.g., education institution discount) and discounted services to meet competitive situation.

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

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

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

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

F. The Company maintains the right to serve directly any end user within the service area of Reseller. The Company will continue to directly market its own telecommunications products and services and in

2. Cause damage to the Company's plant;
3. Impair the privacy of any communications; or
4. Create hazards to any employees or the public.

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

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

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

IV. BellSouth's Provision of Services to Reseller

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

1. The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.
2. To the extent Reseller is a telecommunications carrier that serves greater than 5 percent of the Nation's presubscribed access lines, Reseller shall not jointly market its interLATA services with the telecommunications services purchased from BellSouth pursuant to this Agreement in any of the states covered under this Agreement. For the purposes of this subsection, to jointly market means any advertisement, marketing effort or billing in which the telecommunications services purchased from BellSouth for purposes of resale to customers and interLATA services offered by Reseller are packaged, tied, bundled, discounted or offered together in any way to the end user. Such efforts include, but are not limited to, sales referrals, resale arrangements, sales agencies or billing agreements. This subsection shall be void and of no effect for a particular state covered under this Agreement as of February 8, 1999 or on the date BellSouth is authorized to offer interLATA services in that state, whichever is earlier.
3. Hotel and Hospital PBX service are the only telecommunications services available for resale to Hotel/Motel and Hospital end users, respectively. Similarly, Access Line Service for Customer Provided Coin Telephones is the only local service available for resale to COCOTS customers. Shared Tenant Service customers can only be sold those telecommunications services available in the Company's A23 Shared Tenant Service Tariff.
4. Reseller is prohibited from furnishing both flat and measured rate service on the same business premises to the same subscribers (end users) as stated in A2 of the Company's Tariff except for backup service as indicated in the applicable state tariff Section A3.
5. If telephone service is established and it is subsequently determined that the class of service restriction has been violated, Reseller will be notified and billing for that service will be

immediately changed to the appropriate class of service. Service charges for changes between class of service, back billing, and interest as described in this subsection shall apply at the Company's sole discretion. Interest at the rate of 0.000590 per day, compounded daily for the number of days from the back billing date to and including the date that Reseller actually makes the payment to the Company may be assessed.

6. The Company reserves the right to periodically audit services purchased by Reseller to establish authenticity of use. Such audit shall not occur more than once in a calendar year. Reseller shall make any and all records and data available to the Company or the Company's auditor's on a reasonable basis. The Company shall bear the cost of said audit.

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

C. Reseller may resell services only within the specific resale service area as defined in its certificate.

D. Telephone numbers transmitted via any resold service feature are intended solely for the use of the end user of the feature. Resale of this information is prohibited.

E. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Reseller is strictly prohibited from any use, including but not limited to sales, marketing or advertising, of any BellSouth name or trademark.

V. Maintenance of Services

A. Services resold under the Company's Tariffs and facilities and equipment provided by the Company shall be maintained by the Company.

B. Reseller or its end users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by the Company, other than by connection or disconnection to any interface means used, except with the written consent of the Company.

C. Reseller accepts responsibility to notify the Company of situations that arise that may result in a service problem.

D. Reseller will be the Company's single point of contact for all repair calls on behalf of Reseller's end users.

E. Reseller will contact the appropriate repair centers in accordance with procedures established by the Company.

F. For all repair requests, Reseller accepts responsibility for adhering to the Company's prescreening guidelines prior to referring the trouble to the Company.

G. The Company will bill Reseller for handling troubles that are found not to be in the Company's network pursuant to its standard time and material charges. The standard time and material charges will be no more than what BellSouth charges to its retail residential and/or business customers (as applicable) for the same services.

H. The Company reserves the right to contact Reseller's customers, if deemed necessary, for maintenance purposes.

VI. Establishment of Service

A. After receiving certification as a local exchange company from the appropriate regulatory agency, Reseller will provide the appropriate Company service center the necessary documentation to enable the Company to establish a master account for Reseller. Such documentation shall include the Application for Master Account, proof of authority to provide telecommunications services, an Operating Company Number ("OCN") assigned by the National Exchange Carriers Association ("NECA") and a tax exemption certificate, if applicable. When necessary deposit requirements are met, the Company will begin taking orders for the resale of service.

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

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

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

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

F. If the Company determines that an unauthorized change in local service to Reseller has occurred, the Company will reestablish service with the appropriate local service provider and will assess Reseller as the OLEC initiating the unauthorized change, an unauthorized change charge similar to that described in F.C.C. Tariff No. 1, Section 13.3.3. Appropriate nonrecurring charges, as set forth in Section A4. of the General Subscriber Service Tariff, will also be assessed to Reseller.

These charges can be adjusted if Reseller provides satisfactory proof of authorization.

	Nonrecurring Charge
(a) each Residence or Business line	\$19.41
(b) each Public or Semi-Public line	\$34.19

G. The Company will, in order to safeguard its interest, require Reseller to make a deposit to be held by the Company as a guarantee of the payment of rates and charges, unless satisfactory credit has already

been established. Any such deposit may be held during the continuance of the service as security for the payment of any and all amounts accruing for the service.

H. Such deposit may not exceed two months' estimated billing.

I. The fact that a deposit has been made in no way relieves Reseller from complying with the Company's regulations as to advance payments and the prompt payment of bills on presentation nor does it constitute a waiver or modification of the regular practices of the Company providing for the discontinuance of service for non-payment of any sums due the Company.

J. The Company reserves the right to increase the deposit requirements if Reseller is consistently late in payment of its bills, but the Company shall in no event, exercise this right in addition to demanding advance payments.

K. In the event that Reseller defaults on its account, service to Reseller will be terminated and any deposits held will be applied to its account.

L. In the case of a cash deposit, interest at the rate of six percent per annum shall be paid to Reseller during the continuance of the deposit. Interest on a deposit shall accrue annually and, if requested, shall be annually credited to Reseller by the accrual date.

VII. Payment And Billing Arrangements

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

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

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

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

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

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

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

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

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

I. If any portion of the payment is received by the Company after the payment due date as set forth preceding, or if any portion of the payment is received by the Company in funds that are not immediately available to the Company, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the payment due date times a late factor. The late factor shall be the lessor of:

1. The highest interest rate (in decimal value) which may be levied by law for commercial transaction, compounded daily for the number of days from the payment due date to and including the date that Reseller actually makes the payment to the Company, or
2. 0.000590 per day, compounded daily for the number of days from the payment due date to and including the date that Reseller actually makes the payment to the Company.

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

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

L. Until such time as the Company receives permission from the FCC to bill the End User Common Line (EUCL) charge to Reseller, the Company will, on an interim basis, bill the charges shown below which are identical to the EUCL rates billed by BST to its end users.

	Monthly Rate
1. Residential	
(a) Each Individual Line or Trunk	\$3.50
2. Single Line Business	
(b) Each Individual Line or Trunk	\$3.50
3. Multi-line Business	
(c) Each Individual Line or Trunk	\$6.00

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

N. Reseller is responsible for payment of all appropriate charges for completed calls, services, and equipment. If objection in writing is not received by the Company within twenty-nine days after the bill is rendered, the account shall be deemed correct and binding upon Reseller

VIII. Discontinuance of Service

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

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

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

1. The Company reserves the right to suspend or terminate service for nonpayment or in the event of prohibited, unlawful or improper use of the facilities or service, abuse of the facilities, or any other violation or noncompliance by Reseller of the rules and regulations of the Company's Tariffs.
2. If payment of account is not received by the bill day in the month after the original bill day, the Company may provide written notice to Reseller, that additional applications for service will be refused and that any pending orders for service will not be completed if payment is not received by the fifteenth day following the date of the notice. If the Company does not refuse additional applications for service on the date specified in the notice, and Reseller's noncompliance continues, nothing contained herein shall preclude the Company's right to refuse additional applications for service without further notice.

3. If payment of account is not received, or arrangements made, by the bill day in the second consecutive month, the account will be considered in default and will be subject to denial or disconnection, or both.

4. If Reseller fails to comply with the provisions of this Agreement, including any payments to be made by it on the dates and times herein specified, the Company may, on thirty days written notice to the person designated by Reseller to receive notices of noncompliance, discontinue the provision of existing services to Reseller at any time thereafter. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If the Company does not discontinue the provision of the services involved on the date specified in the thirty days notice, and Reseller's noncompliance continues, nothing contained herein shall preclude the Company's right to discontinue the provision of the services to Reseller without further notice.

5. If payment is not received or arrangements made for payment by the date given in the written notification, Reseller's services will be discontinued. Upon discontinuance of service on a Reseller's account, service to Reseller's end users will be denied. The Company will also reestablish service at the request of the end user or Reseller upon payment of the appropriate connection fee and subject to the Company's normal application procedures.

6. If within fifteen days after an end user's service has been denied no contact has been made in reference to restoring service, the end user's service will be disconnected.

IX. Liability

The liability and indemnification obligations of the parties shall be as set forth in Section XXI of the Interconnection Agreement executed between ACSI and BellSouth on July 25, 1996 and is hereby incorporated herein by this reference.

X. Treatment of Proprietary and Confidential Information

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

B. Notwithstanding the foregoing, both parties agree that there will be no obligation to protect any portion of the Information that is either: 1) made publicly available by the owner of the Information or lawfully disclosed by a nonparty to this Agreement; 2) lawfully obtained from any source other than the owner of the Information; or 3) previously known to the receiving party without an obligation to keep it confidential.

XI. Resolution of Disputes

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

XII. Limitation of Use

The parties agree that this Agreement shall not be proffered by either party in another jurisdiction as evidence of any concession or as a waiver of any position taken by the other party in that jurisdiction or for any other purpose.

XIII. Waivers

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

XIV. Governing Law

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

XV. Arm's Length Negotiations

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

XVI. Notices

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

BellSouth Telecommunications, Inc.

OLEC Account Team
3535 Colonnade Parkway
Room E4E1
Birmingham, Alabama 35243

Reseller

Riley M. Murphy, Esq. - General Counsel
American Communications Services, Inc.
131 National Business Parkway, Suite 60
Annapolis Junction, Maryland 20701

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

B. Where specifically required, notices shall be by certified or registered mail. Unless otherwise provided in this Agreement, notice by mail shall be effective on the date it is officially recorded as delivered

by return receipt or equivalent, and in the absence of such record of delivery, it shall be presumed to have been delivered the fifth day, or next business day after the fifth day, after it was deposited in the mails.

XVII. The terms and conditions of this Agreement shall not limit or apply to other services, such as interconnection or unbundled network elements, that Reseller purchases from the Company.

XVIII. Most Favorable Provisions

Article XXII, "Most Favorable Provisions," of the Interconnection Agreement between ACSI and BellSouth dated July 25, 1996 is hereby incorporated herein by this reference.

XIX. Amendments

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

XX. Counterparts

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed an original and all such counterparts shall constitute one and the same instrument. Signatures transmitted by the Parties by facsimile shall have the same effect as original signatures as of the date transmitted by the executing party.

XXI. Entire Agreement

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

BellSouth Telecommunications, Inc.

BY:

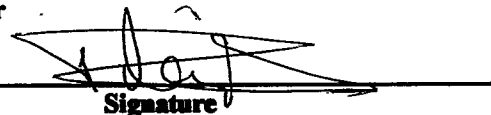

Signature

NAME: Jerry D. Hendrix
Printed Name

TITLE: Director

Reseller

BY:


Signature

NAME: Riley M. Murphy
Printed Name

TITLE: Executive Vice President

EXHIBIT "A"

APPLICABLE DISCOUNTS

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

<u>STATE</u>	<u>RESIDENCE</u>	<u>DISCOUNT</u>	<u>BUSINESS</u>
ALABAMA	10%		10%
FLORIDA*	21.83%		16.81%
GEORGIA	20.3%		17.3%
KENTUCKY*	19.2%		19.2%
LOUISIANA*	20.72%		20.72%
MISSISSIPPI	9%		8%
NORTH CAROLINA	12%		9%
SOUTH CAROLINA	10%		9%
TENNESSEE*	16%		16%

*These discounts shall become effective upon final resolution of the orders of these respective commissions in arbitration and resale dockets.

AGREEMENT FOR PREORDERING INFORMATION

This Agreement, effective as of December 31, 1996, is entered into by and between BellSouth Telecommunications, Inc. ("BST"), a Georgia corporation, and ACSI ("Local Exchange Company").

Whereas, in consideration of the mutual covenants, agreements and obligations set forth below, the parties hereby agree as follows:

I. SCOPE

This Agreement sets forth the terms and conditions under which Local Exchange Company will access and use certain preordering information stored in BST's Regional Street Address Guide (RSAG) data base and in files extracted from the Products/Services Information Management System (P/SIMS) data base.

II. DEFINITIONS

2.01. **RSAG Information** - RSAG Information is information obtained from the Regional Street Address Guide (RSAG). For purposes of this Agreement RSAG Information is limited to individual customer location/address data and associated serving central office switches. Data from RSAG can be associated with P/SIMS file data to determine feature and service availability and to identify provisioning carriers. Information in RSAG is accessed using a combination of the following indicators: a valid street address, previous telephone number, previous customer name, descriptive address (e.g., John Hancock Center), or a valid community name and state.

2.02. **P/SIMS Information** - P/SIMS Information is information obtained from the Products/Services Information Management System (P/SIMS). For purposes of this Agreement P/SIMS Information is limited to service/feature availability (by central office) and a listing of carriers providing interLATA and (where applicable) intraLATA services.

2.03. **NPA** - Numbering Plan Area is an area code. The NPA is the primary code which identifies the central office switch providing local exchange service to a specific end user address.

2.04. **NXX** - NXX is a secondary central office code. In combination with the NPA it provides an identifier for each BST central office switch.

III. RESPONSIBILITIES OF PARTIES

3.01. BST will provide Local Exchange Company with access on a real time basis to RSAG Information via an Electronic Communications Gateway. Local Exchange Company may use RSAG Information to obtain the primary NPA/NXX of the associated central office. RSAG is a 24x7 application; however, batch processing will necessitate periods of system unavailability during morning hours. The scheduled downtimes are 1a.m. to 4a.m. Monday through Friday; 10p.m. to 4a.m. Saturday; and midnight to 8a.m. Sunday. BST shall endeavor to maintain a satisfactory response time. Depending on the accuracy and level of detail of input data, some transactions will complete in fifteen (15) seconds per query or less. BST shall have no liability to Local Exchange Company for a response time exceeding this parameter.

3.02. BST will provide Local Exchange Company with access to data files containing P/SIMS Information. A separate data file will be prepared for each state contained in BST's nine-state service territory. Access to P/SIMS Information will be provided through a data transmission line. The data transmission line may be obtained from BST pursuant to the provisions of tariffs filed in each state jurisdiction served by BST. Using the data transmission line, Local Exchange Company will have the capability of downloading P/SIMS Information into computer facilities over which Local Exchange Company exercises dominion and control. P/SIMS Information available to Local Exchange Company through this arrangement includes, but is not limited to, a listing of services and features available by central office and a listing of interLATA carriers and (where applicable) intraLATA carriers serving each central office. BST will update P/SIMS Information a minimum of one time per week; however, Local Exchange Company may perform downloading of P/SIMS Information at whatever frequency it deems appropriate.

3.03. Local Exchange Company will obtain from BST a security card featuring a unique password identification which will be changed periodically by BST. A nonrecurring charge of One Hundred (\$100.00) Dollars will be applied to each security card provided, including duplicates furnished to additional users or furnished as a replacement of lost or stolen cards.

3.04. Local Exchange Company acknowledges that RSAG Information and P/SIMS Information obtained pursuant to this Agreement is provided for the limited purposes of facilitating the establishment of new customer accounts and identifying services and features available in specific BST central offices. Local Exchange Company agrees that it will not sell or otherwise transfer RSAG Information and/or P/SIMS Information to any third party for any purpose whatsoever without the prior written consent of BST.

IV. FEES FOR SERVICE AND TAXES

4.01. BST will provide the services contemplated by this Agreement without charge to Local Exchange Company. Sales, use and all other taxes (excluding taxes on BST's income) determined by BST or any taxing authority to be due to any federal, state or local taxing jurisdiction with respect to the provision of the services set forth herein will be paid by the Local Exchange Company. The Local Exchange Company shall have the right to have BST contest with the imposing jurisdiction, at the Local Exchange Company's expense, any such taxes that the Local Exchange Company deems are improperly levied.

4.02. Local Exchange Company hereby acknowledges that future market conditions may increase BST's provisioning costs and necessitate a charge or charges for the services provided pursuant to this Agreement. Should BST in its sole judgment determine to assess a charge or charges for the services described herein, BST will provide Local Exchange Company with a minimum of ninety (90) days' prior written notice of this determination, said notice to include a statement of the exact charge or charges to be applied by BST.

V. TERM OF AGREEMENT

This Agreement shall continue in effect until terminated by either party upon at least thirty (30) days' prior written notice to the other party. All obligations of the parties incurred prior to the termination date shall survive termination of this Agreement.

VI. DISCLAIMER OF WARRANTIES

6.01. BST does not warrant that services provided under this Agreement will be uninterrupted or error free. In the event of access problems, interruptions, delays, errors or other failure of the services, BST's obligation shall be limited to using reasonable efforts under the circumstances to restore the services. BST shall have no obligation to retrieve or reconstruct any messages or data which may be lost or damaged. Local Exchange Company is responsible for providing back-up for data deemed by Local Exchange Company to be necessary to its operations.

6.02. THE SERVICES ARE PROVIDED "AS IS." BST MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED.

VII. LIMITATION OF LIABILITY

In no event will BST be liable to Local Exchange Company or any third party for indirect, incidental, special or consequential damages arising out of or

in connection with the services provided under this Agreement, including but not limited to losses or damages for any lost profits, errors or omissions in data, lost data or lost or delayed messages, whether caused by BST's negligence or other legal fault, even if BST has been advised of the possibility of such damages. BST shall be indemnified and saved harmless by Local Exchange Company from all such claims asserted by third parties which arise, directly or indirectly, from BST's provision of services to Local Exchange Company under this Agreement or from any act or omission of Local Exchange Company in connection with the services provided under this Agreement.

VIII. MISCELLANEOUS PROVISIONS

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

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

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

8.04. This Agreement constitutes the entire agreement between Local Exchange Company and BST which supersedes all prior agreements or contracts, oral or written representations, statements, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof.

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

8.06. Neither party shall be held liable for any delay or failure in performance of any part of this Agreement for any cause beyond its control and without its fault

or negligence, such as acts of God, acts of civil or military authority, government regulations, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities, or acts or omissions of transportation common carriers.

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

8.08. The rights and obligations of either party may not be assigned or otherwise transferred without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that BST may, without Local Exchange Company's consent, assign this Agreement to an entity owned in whole or in part by BST or by one or more of its direct or indirect subsidiaries, and may subcontract the performance of any of its obligations hereunder.

8.09. The section headings used herein are for convenience only, and shall not be deemed to constitute integral provisions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives in duplicate counterparts, each of which is deemed an original.

Local Exchange Company:

By: *ACSI*

Name: *Berde Blue*

Title: *Vice President*

BST:

By: *Jerry D. Hendrix*

Name: *Jerry D. Hendrix*

Title: *Director*

EXECUTIVE SUMMARY
of
American Communications, Inc.
BellSouth Standard Resale Agreement

Agreement Effective Date: October 19, 1998	Agreement Expiration Date: 10/19/00
Negotiator: Page Miller	Negotiator Tel No: 404-927-1377
Location of Executive Summary: s:\hendrix\miller\americom\execsum	Location of Resale Agreement: s:\hendrix\miller\americom\ver98

Attachment Name	Attachment Number	Section Number	Version Date	No Deviation	Deviation	If Deviation, enter Paragraph No. And Brief Description of Deviation. If different by state, note here also.
Terms of the Agreement		I	9/8/98	X		
Definition of Terms		II	9/8/98	X		
General Provisions		III	9/8/98	X		
BellSouth's Provision of Services to Reseller		IV	9/8/98	X		
Maintenance of Services		V	9/8/98	X		
Establishment of Service		VI	9/8/98	X		
Payment and Billing Arrangements		VII	9/8/98	X		
Discontinuance of Service		VIII	9/8/98	X		
Liability		IX	9/8/98	X		
Treatment of Proprietary and Confidential Information		X	9/8/98	X		
Resolution of Disputes		XI	9/8/98	X		
Limitation of Use		XII	9/8/98	X		
Waivers		XIII	9/8/98	X		
Governing Law		XIV	9/8/98	X		
Arm's Length Negotiations		XV	9/8/98	X		
Notices		XVI	9/8/98	X		
Amendments		XVII	9/8/98	X		
Entire Agreement		XVIII	9/8/98	X		
EXHIBIT A			9/8/98	X		
EXHIBIT B			9/8/98	X		

**Agreement Between BellSouth Telecommunications, Inc. and American Communications, Inc.
Regarding The Sale of BellSouth Telecommunications Services to American Communications, Inc.
For The Purposes of Resale**

THIS AGREEMENT is by and between **BellSouth Telecommunications, Inc.**, ("BellSouth" or "Company"), a Georgia corporation, and **American Communications, Inc.** ("Reseller"), a Georgia corporation, and shall be deemed effective as of October 19, 1998.

WITNESSETH

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

WHEREAS, Reseller is or seeks to become an alternative local exchange telecommunications company authorized to provide telecommunications services in the state(s) of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; and;

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

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

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

I. Term of the Agreement

- A.** The term of this Agreement shall be two years beginning October 19, 1998 and shall apply to all of BellSouth's serving territory as of January 1, 1998 in the state(s) of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; and
- B.** This Agreement shall be automatically renewed for two additional one year periods unless either party indicates its intent not to renew the Agreement. Notice of such intent must be provided, in writing, to the other party no later than 60 days prior to the end of the then-existing contract period. The terms of this Agreement shall remain in effect after the term of the existing agreement has expired and while a new agreement is being negotiated.

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

II. Definition of Terms

- A.** ALTERNATIVE/COMPETITIVE/OTHER LOCAL EXCHANGE COMPANY (ALEC/CLEC/OLEC) means a telephone company certificated by the public service commissions of the Company's franchised area to provide local exchange service within the Company's franchised area.
- B.** CUSTOMER OF RECORD means the entity responsible for placing application for service; requesting additions, rearrangements, maintenance or discontinuance of service; payment in full of charges incurred such as non-recurring, monthly recurring, toll, directory assistance, etc.

- C. DEPOSIT means assurance provided by a customer in the form of cash, surety bond or bank letter of credit to be held by the Company.
- D. END USER means the ultimate user of the telecommunications services.
- E. END USER CUSTOMER LOCATION means the physical location of the premises where an end user makes use of the telecommunications services.
- F. NEW SERVICES means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.
- G. RESALE means an activity wherein a certificated CLEC, such as Reseller subscribes to the telecommunications services of the Company and then reoffers those telecommunications services to the public (with or without "adding value").
- H. RESALE SERVICE AREA means the area, as defined in a public service commission approved certificate of operation, within which a CLEC, such as Reseller, may offer resold local exchange telecommunications service.

III. General Provisions

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

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

- B. Reseller may purchase resale services from BellSouth for their own use in operating their business. The resale discount will apply to those services under the following conditions:
 - 1. Reseller must resell services to other end users.
 - 2. Reseller must order services through resale interfaces, i. e., the LCSC and/or appropriate Resale Account Teams.
 - 3. Reseller cannot be an alternative local exchange telecommunications company for the single purpose of selling to themselves.
- C. The provision of services by the Company to Reseller does not constitute a joint undertaking for the furnishing of any service.
- D. Reseller will be the customer of record for all services purchased from BellSouth. Except as specified herein, the Company will take orders from, bill and expect payment from Reseller for all services.

- E.** Reseller will be the Company's single point of contact for all services purchased pursuant to this Agreement. The Company shall have no contact with the end user except to the extent provided for herein.
- F.** The Company will continue to bill the end user for any services that the end user specifies it wishes to receive directly from the Company.
- G.** The Company maintains the right to serve directly any end user within the service area of Reseller. The Company will continue to directly market its own telecommunications products and services and in doing so may establish independent relationships with end users of Reseller.
- H.** Neither Party shall interfere with the right of any person or entity to obtain service directly from the other Party.
- I.** Current telephone numbers may normally be retained by the end user. However, telephone numbers are the property of the Company and are assigned to the service furnished. Reseller has no property right to the telephone number or any other call number designation associated with services furnished by the Company, and no right to the continuance of service through any particular central office. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, whenever the Company deems it necessary to do so in the conduct of its business.
- J.** The Company may provide any service or facility for which a charge is not established herein, as long as it is offered on the same terms to Reseller.
- K.** Service is furnished subject to the condition that it will not be used for any unlawful purpose.
- L.** Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.
- M.** The Company can refuse service when it has grounds to believe that service will be used in violation of the law.
- N.** The Company accepts no responsibility to any person for any unlawful act committed by Reseller or its end users as part of providing service to Reseller for purposes of resale or otherwise.
- O.** The Company will cooperate fully with law enforcement agencies with subpoenas and court orders for assistance with the Company's customers. Law enforcement agency subpoenas and court orders regarding end users of Reseller will be directed to Reseller. The Company will bill Reseller for implementing any requests by law enforcement agencies regarding Reseller end users.
- P.** The characteristics and methods of operation of any circuits, facilities or equipment provided by any person or entity other than the Company shall not:
 - 1. Interfere with or impair service over any facilities of the Company, its affiliates, or its connecting and concurring carriers involved in its service;
 - 2. Cause damage to their plant;
 - 3. Impair the privacy of any communications; or
 - 4. Create hazards to any employees or the public.
- Q.** Reseller assumes the responsibility of notifying the Company regarding less than standard operations with respect to services provided by Reseller.
- R.** Facilities and/or equipment utilized by BellSouth to provide service to Reseller remain the property of BellSouth.

- S. White page directory listings will be provided in accordance with regulations set forth in Section A6 of the General Subscriber Service Tariff and will be available for resale.
- T. BellSouth will provide customer record information to Reseller provided Reseller has the appropriate Letter(s) of Authorization. BellSouth may provide customer record information via one of the following methods: US mail, fax, or by electronic interface. BellSouth will provide customer record information via US mail or fax on an interim basis only.
1. Reseller agrees to compensate BellSouth for all BellSouth incurred expenditures associated with providing such information to Reseller. Reseller will adopt and adhere to the BellSouth guidelines associated with each method of providing customer record information.
 2. All costs incurred by BellSouth to develop and implement operational interfaces shall be recovered from CLECs who utilize the services. Charges for use of Operational Support Systems (OSS) shall be as set forth in Exhibit A of this agreement.
- U. Where available to BellSouth's end users, BellSouth shall provide the following telecommunication services at a discount to allow for voice mail services:
- Station Message Desk Interface – Enhanced ("SMDI-E")
 - Station Message Desk Interface ("SMDI") Message Waiting Indicator ("MWI") stutter dialtone and message waiting light feature capabilities
 - Call Forward on Busy/Don't Answer ("CF-B/DA")
 - Call Forward on Busy ("CF/B")
 - Call Forward Don't Answer ("CF/DA")
- Further, BellSouth messaging services set forth in BellSouth's Message Service Information Package shall be made available for resale without the wholesale discount.
- V. BellSouth's Inside Wire Maintenance Plans may be made available for resale at rates, terms and conditions as set forth by BellSouth and without the wholesale discount.
- W. All costs incurred by BellSouth for providing services requested by Reseller that are not covered in the BellSouth tariffs shall be recovered from the Reseller who utilizes those services.

IV. BellSouth's Provision of Services to Reseller

- A. Reseller agrees that its resale of BellSouth services shall be as follows:
1. The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.
 2. To the extent Reseller is a telecommunications carrier that serves greater than 5 percent of the Nation's presubscribed access lines, Reseller shall not jointly market its interLATA services with the telecommunications services purchased from BellSouth pursuant to this Agreement in any of the states covered under this Agreement. For the purposes of this subsection, to jointly market means any advertisement, marketing effort or billing in which the telecommunications services purchased from BellSouth for purposes of resale to customers and interLATA services offered by Reseller are packaged, tied, bundled, discounted or offered together in any way to the end user. Such efforts include, but are not limited to, sales referrals, resale arrangements, sales agencies or billing agreements. This subsection shall be void and of no effect for a particular state covered under this Agreement as of February 8, 1999 or on the date BellSouth is authorized to offer interLATA services in that state, whichever is earlier.

3. Hotel and Hospital PBX service are the only telecommunications services available for resale to Hotel/Motel and Hospital end users, respectively. Similarly, Access Line Service for Customer Provided Coin Telephones is the only local service available for resale to Independent Payphone Provider (IPP) customers. Shared Tenant Service customers can only be sold those telecommunications services available in the Company's A23 Shared Tenant Service Tariff for the states of Florida, Georgia, North Carolina and South Carolina and in the Company's A27 Shared Tenant Service Tariff for the states of Alabama, Kentucky, Louisiana, Mississippi and Tennessee.
 4. Reseller is prohibited from furnishing both flat and measured rate service on the same business premises to the same subscribers (end users) as stated in A2 of the Company's Tariff except for backup service as indicated in the applicable state tariff Section A3.
 5. If telephone service is established and it is subsequently determined that the class of service restriction has been violated, Reseller will be notified and billing for that service will be immediately changed to the appropriate class of service. Service charges for changes between class of service, back billing, and interest as described in this subsection shall apply at the Company's sole discretion. Interest at a rate as set forth in Section A2 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff for the applicable state, compounded daily for the number of days from the back billing date to and including the date that Reseller actually makes the payment to the Company may be assessed.
 6. The Company reserves the right to periodically audit services purchased by Reseller to establish authenticity of use. Such audit shall not occur more than once in a calendar year. Reseller shall make any and all records and data available to the Company or the Company's auditors on a reasonable basis. The Company shall bear the cost of said audit.
- B.** Resold services can only be used in the same manner as specified in the Company's Tariff. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual end user of the Company in the appropriate section of the Company's Tariffs. Specific tariff features, e.g. a usage allowance per month, shall not be aggregated across multiple resold services. Resold services cannot be used to aggregate traffic from more than one end user customer except as specified in Section A23. (A27 in the states of Alabama, Kentucky, Louisiana, Mississippi, and Tennessee). of the Company's Tariff referring to Shared Tenant Service.
- C.** Reseller may resell services only within the specific resale service area as defined in its certificate.
- D.** Telephone numbers transmitted via any resold service feature are intended solely for the use of the end user of the feature. Resale of this information is prohibited.
- E.** No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Reseller is strictly prohibited from any use, including but not limited to sales, marketing or advertising, of any BellSouth name or trademark.

V. Maintenance of Services

- A.** Reseller will adopt and adhere to the standards contained in the applicable BellSouth Work Center Interface Agreement regarding maintenance and installation of service.
- B.** Services resold under the Company's Tariffs and facilities and equipment provided by the Company shall be maintained by the Company.
- C.** Reseller or its end users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by the Company, other than by connection or disconnection to any interface means used, except with the written consent of the Company.

- D. Reseller accepts responsibility to notify the Company of situations that arise that may result in a service problem.
- E. Reseller will be the Company's single point of contact for all repair calls on behalf of Reseller's end users. The parties agree to provide one another with toll-free contact numbers for such purposes.
- F. Reseller will contact the appropriate repair centers in accordance with procedures established by the Company.
- G. For all repair requests, Reseller accepts responsibility for adhering to the Company's prescreening guidelines prior to referring the trouble to the Company.
- H. The Company will bill Reseller for handling troubles that are found not to be in the Company's network pursuant to its standard time and material charges. The standard time and material charges will be no more than what BellSouth charges to its retail customers for the same services.
- I. The Company reserves the right to contact Reseller's customers, if deemed necessary, for maintenance purposes.

VI. Establishment of Service

- A. After receiving certification as a local exchange company from the appropriate regulatory agency, Reseller will provide the appropriate Company service center the necessary documentation to enable the Company to establish a master account for Reseller. Such documentation shall include the Application for Master Account, proof of authority to provide telecommunications services, an Operating Company Number ("OCN") assigned by the National Exchange Carriers Association ("NECA") and a tax exemption certificate, if applicable. When necessary deposit requirements are met, the Company will begin taking orders for the resale of service.
- B. Service orders will be in a standard format designated by the Company.
- C. When notification is received from Reseller that a current customer of the Company will subscribe to Reseller's service, standard service order intervals for the appropriate class of service will apply.
- D. The Company will not require end user confirmation prior to establishing service for Reseller's end user customer. Reseller must, however, be able to demonstrate end user authorization upon request.
- E. Reseller will be the single point of contact with the Company for all subsequent ordering activity resulting in additions or changes to resold services except that the Company will accept a request directly from the end user for conversion of the end user's service from Reseller to the Company or will accept a request from another CLEC for conversion of the end user's service from Reseller to the other LEC. The Company will notify Reseller that such a request has been processed.
- F. If the Company determines that an unauthorized change in local service to Reseller has occurred, the Company will reestablish service with the appropriate local service provider and will assess Reseller as the CLEC initiating the unauthorized change, the unauthorized change charge described in F.C.C. Tariff No. 1, Section 13 or applicable state tariff. Appropriate nonrecurring charges, as set forth in Section A4. of the General Subscriber Service Tariff, will also be assessed to Reseller. These charges can be adjusted if Reseller provides satisfactory proof of authorization.
- G. In order to safeguard its interest, the Company reserves the right to secure the account with a suitable form of security deposit, unless satisfactory credit has already been established.
 - 1. Such security deposit shall take the form of an irrevocable Letter of Credit or other forms of security acceptable to the Company. Any such security deposit may be held during the

continuance of the service as security for the payment of any and all amounts accruing for the service.

2. If a security deposit is required, such security deposit shall be made prior to the inauguration of service.
3. Such security deposit may not exceed two months' estimated billing.
4. The fact that a security deposit has been made in no way relieves Reseller from complying with the Company's regulations as to advance payments and the prompt payment of bills on presentation nor does it constitute a waiver or modification of the regular practices of the Company providing for the discontinuance of service for non-payment of any sums due the Company.
5. The Company reserves the right to increase the security deposit requirements when, in its sole judgment, circumstances so warrant and/or gross monthly billing has increased beyond the level initially used to determine the security deposit.
6. In the event that Reseller defaults on its account, service to Reseller will be terminated and any security deposits held will be applied to its account.
7. Interest on a security deposit shall accrue and be refunded in accordance with the terms in the appropriate BellSouth tariff.

VII. Payment And Billing Arrangements

- A. Prior to submitting orders to the Company for local service, a master account must be established for Reseller. The Reseller is required to provide the following before a master account is established: proof of PSC/PUC certification, the Application for Master Account, an Operating Company Number ("OCN") assigned by the National Exchange Carriers Association ("NECA") and a tax exemption certificate, if applicable.
- B. The Company shall bill Reseller on a current basis all applicable charges and credits.
- C. Payment of all charges will be the responsibility of Reseller. Reseller shall make payment to the Company for all services billed. The Company is not responsible for payments not received by Reseller from Reseller's customer. The Company will not become involved in billing disputes that may arise between Reseller and its customer. Payments made to the Company as payment on account will be credited to an accounts receivable master account and not to an end user's account.
- D. The Company will render bills each month on established bill days for each of Reseller's accounts.
- E. The Company will bill Reseller, in advance, charges for all services to be provided during the ensuing billing period except charges associated with service usage, which charges will be billed in arrears. Charges will be calculated on an individual end user account level, including, if applicable, any charges for usage or usage allowances. BellSouth will also bill all charges, including but not limited to 911 and E911 charges, telecommunications relay charges, and franchise fees, to Reseller.
- F. The payment will be due by the next bill date (i.e., same date in the following month as the bill date) and is payable in immediately available funds. Payment is considered to have been made when received by the Company.
 1. If the payment due date falls on a Sunday or on a Holiday which is observed on a Monday, the payment due date shall be the first non-Holiday day following such Sunday or Holiday. If the payment due date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the last non-Holiday day preceding such

Saturday or Holiday. If payment is not received by the payment due date, a late payment penalty, as set forth in I. following, shall apply.

2. If Reseller requests multiple billing media or additional copies of bills, the Company will provide these at an appropriate charge to Reseller.

G. Billing Disputes

1. Each Party agrees to notify the other Party upon the discovery of a billing dispute. In the event of a billing dispute, the Parties will endeavor to resolve the dispute within sixty (60) calendar days of the Bill Date on which such disputed charges appear. Resolution of the dispute is expected to occur at the first level of management resulting in a recommendation for settlement of the dispute and closure of a specific billing period. If the issues are not resolved within the allotted time frame, the following resolution procedure will begin:
 - 1.1 If the dispute is not resolved within sixty (60) days of the Bill Date, the dispute will be escalated to the second level of management for each of the respective Parties for resolution. If the dispute is not resolved within ninety (90) days of the Bill Date, the dispute will be escalated to the third level of management for each of the respective Parties for resolution.
 - 1.2. If the dispute is not resolved within one hundred and twenty (120) days of the Bill Date, the dispute will be escalated to the fourth level of management for each of the respective Parties for resolution.
 2. If a Party disputes a charge and does not pay such charge by the payment due date, such charges shall be subject to late payment charges as set forth in the Late Payment Charges provision of this Attachment. If a Party disputes charges and the dispute is resolved in favor of such Party, the other Party shall credit the bill of the disputing Party for the amount of the disputed charges along with any late payment charges assessed no later than the second Bill Date after the resolution of the dispute. Accordingly, if a Party disputes charges and the dispute is resolved in favor of the other Party, the disputing Party shall pay the other Party the amount of the disputed charges and any associated late payment charges assessed no later than the second bill payment due date after the resolution of the dispute. In no event, however, shall any late payment charges be assessed on any previously assessed late payment charges.
- H.** Upon proof of tax exempt certification from Reseller, the total amount billed to Reseller will not include any taxes due from the end user. Reseller will be solely responsible for the computation, tracking, reporting and payment of all federal, state and/or local jurisdiction taxes associated with the services resold to the end user.
- I.** As the customer of record, Reseller will be responsible for, and remit to the Company, all charges applicable to its resold services for emergency services (E911 and 911) and Telecommunications Relay Service (TRS) as well as any other charges of a similar nature.
- J.** If any portion of the payment is received by the Company after the payment due date as set forth preceding, or if any portion of the payment is received by the Company in funds that are not immediately available to the Company, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the payment due date times a late factor. The late factor shall be as set forth in Section A2 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff.
- K.** Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, the Company. No additional charges are to be assessed to Reseller.

- L.** The Company will not perform billing and collection services for Reseller as a result of the execution of this Agreement. Requests by the Reseller for assistance with billing services should be referred to the appropriate entity or operational group within the Company.
- M.** Pursuant to 47 CFR Section 51.617, the Company will bill Reseller end user common line charges identical to the end user common line charges the Company bills its end users.
- N.** In general, the Company will not become involved in disputes between Reseller and Reseller's end user customers over resold services. If a dispute does arise that cannot be settled without the involvement of the Company, Reseller shall contact the designated Service Center for resolution. The Company will make every effort to assist in the resolution of the dispute and will work with Reseller to resolve the matter in as timely a manner as possible. Reseller may be required to submit documentation to substantiate the claim.

VIII. Discontinuance of Service

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

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

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

1. The Company reserves the right to suspend or terminate service for nonpayment or in the event of prohibited, unlawful or improper use of the facilities or service, abuse of the facilities, or any other violation or noncompliance by Reseller of the rules and regulations of the Company's Tariffs.
2. If payment of account is not received by the bill day in the month after the original bill day, BellSouth may provide written notice to Reseller that additional applications for service will be refused and that any pending orders for service will not be completed if payment is not received by the fifteenth day following the date of the notice. In addition BellSouth may, at the same time, give

thirty days notice to the person designated by Reseller to receive notices of noncompliance, discontinue the provision of existing services to Reseller at any time thereafter.

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

IX. Liability

- A. The liability of the Company for damages arising out of mistakes, omissions, interruptions, preemptions, delays errors or defects in transmission, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of Reseller, or of the Company in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision shall in no event exceed an amount equivalent to the proportionate charge to Reseller for the period of service during which such mistake, omission, interruption, preemption, delay, error or defect in transmission or defect or failure in facilities occur. The Company shall not be liable for damage arising out of mistakes, omission, interruptions, preemptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the service of the Company, (1) caused by customer-provided equipment (except where a contributing cause is the malfunctioning of a Company-provided connecting arrangement, in which event the liability of the Company shall not exceed an amount equal to a proportional amount of the Company billing for the period of service during which such mistake, omission, interruption, preemption, delay, error, defect in transmission or injury occurs), or (2) not prevented by customer-provided equipment but which would have been prevented had Company-provided equipment been used.
- B. The Company shall be indemnified and saved harmless by Reseller against any and all claims, actions, causes of action, damages, liabilities, or demands (including the costs, expenses and reasonable attorneys' fees, on account thereof) of whatever kind or nature that may be made by any third party as a result of the Company's furnishing of service to Reseller.
- C. The Company shall be indemnified, defended and held harmless by Reseller and/or the end user against any claim, loss or damage arising from the use of services offered for resale involving:
 1. Claims for libel, slander, invasion of privacy or infringement of copyright arising from Reseller's or end user's own communications.
 2. Claims for patent infringement arising from acts combining or using Company services in connection with facilities or equipment furnished by the end user or Reseller.
 3. All other claims arising out of an act or omission of Reseller or its end user in the course of using services.

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

X. Treatment of Proprietary and Confidential Information

- A. Both parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including trade secret information, including but not limited to, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data and like information (hereinafter collectively referred to as "Information"). Both parties agree that all Information shall either be in writing or other tangible format and clearly marked with a confidential, private or proprietary legend, or, when the Information is communicated orally, it shall also be communicated that the Information is confidential, private or proprietary. The Information will be returned to the owner within a reasonable time. Both parties agree that the Information shall not be copied or reproduced in any form. Both parties agree to receive such Information and not disclose such Information. Both parties agree to protect the Information received from distribution, disclosure or dissemination to anyone except employees of the parties with a need to know such Information and which employees agree to be bound by the terms of this Section. Both parties will use the same standard of care to protect Information received as they would use to protect their own confidential and proprietary Information.
- B. Notwithstanding the foregoing, both parties agree that there will be no obligation to protect any portion of the Information that is either: 1) made publicly available by the owner of the Information or lawfully disclosed by a nonparty to this Agreement; 2) lawfully obtained from any source other than the owner of the Information; or 3) previously known to the receiving party without an obligation to keep it confidential.

XI. Resolution of Disputes

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

XII. Limitation of Use

The parties agree that this Agreement shall not be proffered by either party in another jurisdiction as evidence of any concession or as a waiver of any position taken by the other party in that jurisdiction or for any other purpose.

XIII. Waivers

A failure or delay of either Party to enforce any of the provisions hereof, to exercise any option which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver

of such provisions or options, and each Party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

XIV. Governing Law

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

XV. Arm's Length Negotiations

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

XVI. Notices

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

BellSouth Telecommunications, Inc.

American Communications, Inc.

CLEC Account Team
9th Floor
600 North 19th Street
Birmingham, AL 35203

Attn: Danny Sanders
607 Watson Boulevard
Warner Robbins, GA 31093

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

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

XVII. Amendments

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

XVIII. Entire Agreement

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

BellSouth Telecommunications, Inc.

American Communications, Inc.

BY: _____
Signature

NAME: Jerry Hendrix
Printed Name

TITLE: Director

DATE: _____

BY: _____
Signature

NAME: _____
Danny Sanders

TITLE: President

DATE: _____

EXHIBIT A APPLICABLE DISCOUNTS

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

<u>DISCOUNT*</u>		
<u>STATE</u>	<u>RESIDENCE</u>	<u>BUSINESS</u>
ALABAMA	16.3%	16.3%
FLORIDA	21.83%	16.81%
GEORGIA	20.3%	17.3%
KENTUCKY	16.79%	15.54%
LOUISIANA	20.72%	20.72%
MISSISSIPPI	15.75%	15.75%
NORTH CAROLINA	21.5%	17.6%
SOUTH CAROLINA	14.8%	14.8%
TENNESSEE**	16%	16%

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

** In Tennessee, if CLEC provides its own operator services and directory services, the discount shall be 21.56%. CLEC must provide written notification to BellSouth within 30 days prior to providing its own operator services and directory services to qualify for the higher discount rate of 21.56%.

<u>OPERATIONAL SUPPORT SYSTEMS (OSS) RATES</u>				
	Interactive Ordering and Trouble Maintenance System		OSS Order Charge	
	Non-Recurring Establishment Charge	Monthly Recurring Charge	Electronic	Manual
			Per LSR received from the CLEC by one of the OSS interactive interfaces	Per LSR received from the CLEC by means other than one of the OSS interactive interfaces
ALABAMA	\$100.00	\$50.00	\$10.80	\$22.00
FLORIDA	\$100.00	\$50.00	\$10.80	\$22.00
GEORGIA	\$200.00	Per 1,000 electronic LSRs received from the CLEC ¹ First 1,000 - \$550.00 Add'l 1,000 - \$110.00	Note ²	\$22.00
KENTUCKY	\$100.00	\$50.00	\$10.89	\$22.00
LOUISIANA	\$100.00	\$50.00	\$9.16	\$22.00
MISSISSIPPI	\$100.00	\$50.00	\$10.80	\$22.00
NORTH CAROLINA	\$100.00	\$50.00	\$10.80	\$22.00
SOUTH CAROLINA	\$100.00	\$50.00	\$10.80	\$22.00
TENNESSEE	\$100.00	\$50.00	\$10.80	\$22.00

Rates for Operational Support Systems stated above are interim and are subject to modification based upon receipt of a final, non-appealable order by each state's Public Service Commission.

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

¹ The Charge per 1,000 LSRs applies on a per CLEC basis.

² The Georgia Public Service Commission ("PSC") ordered in Docket 7061 that there would be no OSS charge within the Charge for Electronic Order column. Instead the Georgia PSC ordered monthly recurring charges based on the number of LSRs received from the CLEC.

EXHIBIT B

Type of Service		AL		FL		GA		KY		LA	
		Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1	Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Contract Service Arrangements	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
3	Promotions - > 90 Days (Note 2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Promotions - < 90 Days(Note 2)	Yes	No	Yes	No	Yes	No	No	No	Yes	No
5	Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
6	911/E911 Services (See Note 8)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
7	N11 Services (See Note 8)	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
8	AdWatch SM Svc (See Note7)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	MemoryCall [®] Service	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10	Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
11	Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
12	Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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

Applicable Notes:

- Grandfathered services** can be resold only to existing subscribers of the grandfathered service.
- Where available for resale, **promotions** will be made available only to end users who would have qualified for the promotion had it been provided by BellSouth directly.
- In Tennessee, long-term **promotions** (offered for more than ninety (90) days) may be obtained at one of the following rates:
 - the stated tariff rate, less the wholesale discount;
 - the promotional rate (the promotional rate offered by BellSouth will not be discounted further by the wholesale discount rate)
- Lifeline/Link Up** services may be offered only to those subscribers who meet the criteria that BellSouth currently applies to subscribers National Exchange Carriers Association interstate toll settlement pool just as BellSouth does today. The maximum rate that Reseller may charge for LifeLine Service shall be capped at the flat retail rate offered by BellSouth.
- In Mississippi, all **Contract Service Arrangements** entered into by BellSouth or terminating after the effective date of the Commission Order (3/10/97) will be subject to resale without the wholesale discount. All CSAs which are in place as of the effective date of the Commission order (3/10/97) will not be eligible for resale.
- Some of BellSouth's local exchange and toll telecommunications services are not available in certain central offices and areas.
- AdWatchSM Service is tariffed as BellSouth[®] AIN Virtual Number Call Detail Service
- Exclusions for **N11/911/E911** are also applicable to equipment associated with the service

**Amendment to Resale Agreement
by and between BellSouth Telecommunications, Inc.
and American Communications, Inc.**

This Agreement refers to the Resale Agreement ("the Agreement") entered into by American Communications, Inc. ("American Communications") and BellSouth Telecommunications, Inc. ("BellSouth") on October 19, 1998. This Amendment ("Amendment") is made by and between American Communications, Inc. and BellSouth and shall be deemed effective on the date executed by American Communications, Inc. and BellSouth.

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, American Communications, Inc. and BellSouth (individually, a "Party" and collectively, the "Parties") hereby covenant and agree as follows:

1. BellSouth and American Communications, Inc. are entering into this Agreement for the purpose of deleting the table of Operational Support System (OSS) Rates contained in Exhibit A of their existing Agreement in its entirety and replacing it with the new OSS rates as follows:

OPERATIONAL SUPPORT SYSTEMS (OSS) RATES	Electronic Per LSR received from the CLEC by one of the OSS interactive interfaces	Manual Per LSR received from the CLEC by means other than one of the OSS interactive interfaces
OSS Order Charge	\$3.50	\$19.99

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

2. The Parties agree that American Communications, Inc. will incur the mechanized rate for all LSRs, both mechanized and manual, if the percentage of mechanized LSRs to total LSRs exceeds the threshold percentages shown below:

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

The threshold plan will be discontinued in 2002.

3. The Parties agree that the threshold plan described in Paragraph 2 above may be superceded by an LSR specific process that would apply the mechanized LSR rate to only those manual LSRs, which cannot be submitted over a mechanized system.

4. The Parties agree that all other provisions of the Agreement, dated October 19, 1998, shall remain in full force and effect.

5. The Parties further agree that either or both of the Parties is authorized to submit this Amendment to the Public Service Commission or other regulatory body having jurisdiction over the

American Communications, Inc.

OSS Amendment

Page 1 of 2

subject matter of this Amendment, for approval subject to Section 252(e) of the federal Telecommunications Act of 1996.

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

American Communications, Inc.

BellSouth Telecommunications, Inc.

Signature

Signature

D.S. Sanders
Name

Jerry D. Hendrix
Name

President
Title

Director - Interconnection Services
Title

4/5/99
Date

4/28/99
Date