RESALE AGREEMENT (Pennsylvania)

PREFACE

THIS RESALE AGREEMENT (this "Agreement") is made effective as of August 17, 1998 (the "Effective Date") by and between CTC Communications ("Reseller"), a Massachusetts corporation, with offices at 360 Second Ave., Waltham, MA 02451, and Bell Atlantic - Pennsylvania, Inc. ("Bell Atlantic"), a Pennsylvania corporation, with offices at 1717 Arch Street, Philadelphia, Pennsylvania 19103.

WHEREAS, pursuant to Section 251(c)(4) of the Act, 47 U.S.C. § 251(c)(4), Reseller wishes to purchase Bell Atlantic Retail Telecommunications Services from Bell Atlantic for resale by Reseller as a Telecommunications Carrier providing Telecommunications Services in the Commonwealth of Pennsylvania; and

WHEREAS, Bell Atlantic is willing to provide such Bell Atlantic Retail Telecommunications Services in accordance with this Agreement.

NOW THEREFORE, in consideration of the mutual promises set forth in this Agreement, Reseller and Bell Atlantic, each on behalf of itself and its respective successors and assigns, agree as follows:

1. <u>DEFINITIONS</u>

- 1.1 As used in the Principal Document, the terms listed below shall have the meanings stated below:
- 1.1.1 "Act" means the Communications Act of 1934, 47 U.S.C. § 151, et seq., as amended from time-to-time.
- 1.1.2 "Agent" means agent or servant.
- 1.1.3 "Applicable Law" means all applicable laws and government regulations and orders.
- 1.1.4 "Bell Atlantic Ancillary Service" means any service offered by Bell Atlantic to Reseller in Exhibit I.
- 1.1.5 "Bell Atlantic Retail Telecommunications Service" means any Telecommunications Service that Bell Atlantic provides at retail to subscribers who are not Telecommunications Carriers. The term "Bell Atlantic Retail Telecommunications Service" does not include any exchange access service (as defined in Section 3(16) of the Act, 47 U.S.C. § 153(16)) provided by Bell Atlantic.
- 1.1.6 "Bell Atlantic Service" means and includes any Bell Atlantic Retail Telecommunications Service and any Bell Atlantic Ancillary Service.
- 1.1.7 "Bell Atlantic's Affiliates" means any corporations, partnerships or other persons who control, are controlled by, or are under common control with, Bell Atlantic.
- 1.1.8 "Bell Atlantic's Tariffs" and "Bell Atlantic Tariff" mean and include:

- (a) Bell Atlantic's effective Federal and state tariffs, as amended by Bell Atlantic from time-to-time; and,
- (b) to the extent Bell Atlantic Services are not subject to Bell Atlantic tariffs, any standard agreements and other documents, as amended by Bell Atlantic from time-to-time, that set forth the generally available terms, conditions and prices under which Bell Atlantic offers such Bell Atlantic Services.

The terms "Bell Atlantic's Tariffs" and "Bell Atlantic Tariff" do not include Bell Atlantic's "Statement of Generally Available Terms and Conditions for Interconnection, Unbundled Network Elements, Ancillary Services and Resale of Telecommunications Services" which has been approved by the Commission pursuant to Section 252(f) of the Act, 47 U.S.C. § 252(f).

- 1.1.9 "Commission" means the Pennsylvania Public Utilities Commission.
- 1.1.10 "Contract Period", as used in Section 1.1.25 and Section 6.2, means a stated period or minimum period of time for which Reseller is required by this Agreement to subscribe to, use and/or pay for a Bell Atlantic Service.
- 1.1.11 "Customer" means and includes customers, subscribers and patrons, of a Party, purchasers and users of Telecommunications Services (including, but not limited to, resold Bell Atlantic Retail Telecommunications Services) provided by a Party, and purchasers and users of other services and products provided by a Party. The term "Customer" does not include a Party.
- "Bell Atlantic Customer" means a Customer of Bell Atlantic. 1.1.12
- 1.1.13 "Customer Information" means CPNI of a Customer and any other non-public, individually identifiable information about a Customer or the purchase by a Customer of the services or products of a Party.
- "Customer Proprietary Network Information" ("CPNI") means "Customer 1.1.14 Proprietary Network Information" as defined in Section 222 of the Act, 47 U.S.C. § 222.
- 1.1.15 "Effective Date" means the date first above written.
- 1.1.16 "Jurisdiction" means the Commonwealth of Pennsylvania.
- "Operator Services" means: (a) services accessed by dialing 411, 555-1212, 1-1.1.17 555-1212, 0+ local, 0+ intraLATA, and, 0-; and, (b) any other automated or live operator or directory assistance service.
- 1.1.18 "Order" means an order or application.
- "Principal Document" means this document, including the Preface, Sections 1 1.1.19 through 39, the signature page, Exhibit I, Exhibit II, and Exhibit II, Attachment 1.
- "Reseller Customer" means a Customer of Reseller. 1.1.20
- 1.1.21 "Retail Prices" means the prices at which Bell Atlantic Retail Telecommunications Services are provided by Bell Atlantic at retail to subscribers who are not Telecommunications Carriers.
- "Telecommunications Carrier" means "Telecommunications Carrier" as defined in Section 3(44) of the Act, 47 U.S.C. § 153(44).

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- 1.1.23 "Telecommunications Service" means "Telecommunications Service" as defined in Section 3(46) of the Act, 47 U.S.C. § 153(46).
- 1.1.24 "Telephone Exchange Service" means "Telephone Exchange Service" as defined in Section 3(47) of the Act, 47 U.S.C. § 153(47).
- 1.1.25 "Termination Date Bell Atlantic Service" means: (a) any Bell Atlantic Service being provided by Bell Atlantic under this Agreement at the time of termination of this Agreement, that at the time of termination of this Agreement is subject to a Contract Period which is greater than one (1) month; and, (b) any Bell Atlantic Service requested by Reseller under this Agreement in an Order accepted by Bell Atlantic prior to termination of this Agreement but not yet being provided by Bell Atlantic at the time of termination of this Agreement, that is subject to an initial Contract Period which is greater than one (1) month.
- 1.2 Unless the context clearly indicates otherwise, any defined term which is defined or used in the singular shall include the plural, and any defined term which is defined or used in the plural shall include the singular.

THE AGREEMENT

- 2.1 This Agreement includes: (a) the Principal Document; (b) Bell Atlantic's Tariffs (which Bell Atlantic Tariffs are incorporated into this Agreement by reference and made a part hereof); and, (c) a Reseller Order to provide, change or terminate a Bell Atlantic Service, which has been accepted by Bell Atlantic (including, but not limited to, any Order which includes a commitment to purchase a stated number or minimum number of lines or other Bell Atlantic Services, or a commitment to purchase lines or other Bell Atlantic Services for a stated period or minimum period of time).
- 2.2 Conflicts among terms in the Principal Document, Bell Atlantic's Tariffs, and a Reseller Order which has been accepted by Bell Atlantic, shall be resolved in accordance with the following order of precedence, where the document identified in subsection "(a)" shall have the highest precedence: (a) the Principal Document; (b) Bell Atlantic's Tariffs; and, (c) a Reseller Order which has been accepted by Bell Atlantic. The fact that a term appears in the Principal Document but not in a Bell Atlantic Tariff, or in a Bell Atlantic Tariff but not in the Principal Document, shall not be interpreted as, or deemed grounds for finding, a conflict for the purposes of this Section 2.2.
- 2.3 This Agreement (including the Principal Document, Bell Atlantic's Tariffs, and Reseller Orders which have been accepted by Bell Atlantic), constitutes the entire agreement between the Parties on the subject matter hereof, and supersedes any prior or contemporaneous agreement, understanding, or representation on the subject matter hereof. Except as otherwise provided in the Principal Document, the terms in the Principal Document may not be waived or modified except by a written document which is signed by the Parties. Subject to the requirements of Applicable Law, Bell Atlantic shall have the right to add, modify, or withdraw, a Bell Atlantic Tariff at any time, without the consent of, or notice to, Reseller.
- A failure or delay of either Party to enforce any of the provisions of this Agreement, or any right or remedy available under this Agreement or at law or in equity, or to require performance of any of the provisions of this Agreement, or to exercise any option provided under this Agreement, shall in no way be construed to be a waiver of such provisions, rights, remedies, or options.

3. BELL ATLANTIC SERVICES

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- 3.1 During the term of this Agreement, Reseller, pursuant to Section 251(c)(4) of the Act, 47 U.S.C. § 251(c)(4), may submit Orders to Bell Atlantic requesting Bell Atlantic to provide Bell Atlantic Retail Telecommunications Services for resale by Reseller as a Telecommunications Carrier providing Telecommunications Services.
- 3.2 During the term of this Agreement, Reseller may submit Orders to Bell Atlantic requesting Bell Atlantic to provide Bell Atlantic Ancillary Services for use by Reseller as a Telecommunications Carrier providing Telecommunications Services.
- 3.3 Bell Atlantic may require that Reseller's Orders requesting Bell Atlantic to provide Bell Atlantic Services be in writing on forms specified by Bell Atlantic or in an electronic form specified by Bell Atlantic.
- 3.4 Upon receipt and acceptance by Bell Atlantic of a Reseller Order requesting Bell Atlantic to provide a Bell Atlantic Service, Bell Atlantic shall provide, and Reseller shall subscribe to, use and pay for, the Bell Atlantic Service, in accordance with this Agreement.
- 3.5 Bell Atlantic Retail Telecommunications Services may be purchased by Reseller under this Agreement only for the purpose of resale by Reseller as a Telecommunications Carrier providing Telecommunications Services, pursuant to Section 251(c)(4) of the Act, 47 U.S.C. § 251(c)(4). Bell Atlantic Retail Telecommunications Services to be purchased by Reseller for other purposes (including, but not limited to, Reseller's own use) must be purchased by Reseller pursuant to separate written agreements, including, but not limited to, applicable Bell Atlantic Tariffs. Reseller warrants and agrees that Reseller will purchase Bell Atlantic Retail Telecommunications Services from Bell Atlantic under this Agreement only for the purpose of resale by Reseller as a Telecommunications Carrier providing Telecommunications Services, pursuant to Section 251(c)(4) of the Act, 47 U.S.C. § 251(c)(4).
- 3.6 Bell Atlantic Ancillary Services may be purchased by Reseller under this Agreement only for use by Reseller as a Telecommunications Carrier providing Telecommunications Services. Bell Atlantic Ancillary Services to be purchased by Reseller for other purposes must be purchased by Reseller pursuant to separate written agreements, including, but not limited to, applicable Bell Atlantic Tariffs. Reseller warrants and agrees that Reseller will purchase Bell Atlantic Ancillary Services from Bell Atlantic under this Agreement only for use by Reseller as a Telecommunications Carrier providing Telecommunications Services.
- 3.7 Subject to the requirements of Applicable Law, Bell Atlantic shall have the right to add, modify, grandfather, discontinue or terminate Bell Atlantic Services at any time, without the consent of Reseller.

4. PRICES

- 4.1 Reseller shall pay Bell Atlantic for Bell Atlantic Services at the prices stated in this Agreement, including, but not limited to, in Exhibit II, Attachment 1.
- 4.2 If, prior to establishment of a Bell Atlantic Service, Reseller cancels or changes its Order for the Bell Atlantic Service, Reseller shall reimburse Bell Atlantic for the costs associated with such cancellation or changes as required by this Agreement (including, but not limited to, Bell Atlantic's Tariffs).
- 4.3 Upon request by Bell Atlantic, Reseller shall provide to Bell Atlantic adequate assurance of payment of charges due to Bell Atlantic. Assurance of payment of charges may be requested by Bell Atlantic: (a) if Reseller, in Bell Atlantic's reasonable judgment, at the Effective Date or at any time thereafter, is unable to show itself to be creditworthy; (b) if Reseller, in Bell Atlantic's reasonable judgment, at the Effective Date or at any time thereafter, is not creditworthy;

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or, (c) if Reseller fails to timely pay a bill rendered to Reseller by Bell Atlantic. Unless otherwise agreed by the Parties, the assurance of payment shall be in the form of a cash deposit and shall be in an amount equal to the charges for Bell Atlantic Services that Reseller may reasonably be expected to incur during a period of two (2) months. Bell Atlantic may at any time use the deposit or other assurance of payment to pay amounts due from Reseller.

5. <u>BILLING AND PAYMENT</u>

- 5.1 Except as otherwise permitted or required by this Agreement, or agreed in writing by the Parties, Bell Atlantic shall render bills to Reseller monthly. Except as otherwise agreed in writing by the Parties, Bell Atlantic will render bills to Reseller in a paper form.
- 5.2 Reseller shall pay Bell Atlantic's bills in immediately available U.S. funds. Except as otherwise agreed in writing by the Parties, payments shall be transmitted by electronic funds transfer.
- 5.3 Payment of charges shall be due by the due date stated on Bell Atlantic's bills. Except as otherwise required by Bell Atlantic's Tariffs or agreed in writing by the Parties, the due date shall not be sooner than twenty (20) days after the date the bill is received by Reseller.
- Charges which are not paid by the due date stated on Bell Atlantic's bill shall be subject to a late payment charge. The late payment charge shall be in an amount specified by Bell Atlantic, which shall not exceed a rate of one-and-one-half percent (1.5%) of the over-due amount (including any unpaid, previously billed late payment charges) per month.
- 5.5 Reseller acknowledges and agrees that:
- 5.5.1 During the term of this Agreement, Bell Atlantic will be engaged in developing and deploying new or modified forms of bills for Telecommunications Carriers who are engaged in the resale of Bell Atlantic Retail Telecommunications Services and new or modified systems and methods for computing and rendering such bills.
- 5.5.2 Prior to the completion of deployment of such new or modified forms of bills and such new or modified systems and methods for computing and rendering bills, Bell Atlantic's form of bill and systems and methods for computing and rendering bills may be subject to limitations and restrictions, including, but not limited to, the limitations stated in Section 5.5.3, below, the inability to provide Reseller with a single, consolidated bill for all Bell Atlantic Services purchased by Reseller, and the unavailability of bills and billing information in an electronic form (e.g., bills may be rendered in a paper form).
- Prior to the completion of deployment of the new or modified forms of bills and the new or modified systems and methods for computing and rendering bills, Bell Atlantic may apply the discount identified in Exhibit II, Section 1.1, in a manner (including, but not limited to, in a "bottom-of-the-bill" format) that results in the Exhibit II, Section 1.1 discount being applied to charges stated in the bill (including, but not limited to, Subscriber Line Charges, Federal Line Cost Charges, end user common line charges, carrier selection and change charges, Audiotex Service charges, and charges for services which are not Bell Atlantic Retail Telecommunications Services) which are not subject to the Exhibit II, Section 1.1 discount. Bell Atlantic will implement a "true-up" process and within six (6) months after the due date of each monthly bill, issue to Reseller a "true-up" bill for amounts which were not collected from Reseller under the monthly bill because of the application of the Exhibit II, Section 1.1 discount to charges which are not subject to the Exhibit II, Section 1.1 discount. The "true-up" bill may be issued as a part of or an entry on a monthly bill, as a bill separate from a monthly bill, or in such other form as Bell Atlantic may determine.

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Although it is the intent of Bell Atlantic to submit timely and accurate bills, failure by Bell Atlantic to present bills (including, but not limited to, monthly bills and "true-up" bills) to Reseller in a timely or accurate manner shall not constitute a breach or default of this Agreement, or a waiver of a right of payment of the incurred charges, by Bell Atlantic. Reseller shall not be entitled to dispute charges for Bell Atlantic Services provided by Bell Atlantic based on Bell Atlantic's failure to submit a bill for the charges in a timely fashion.

6. TERM

- 6.1 The term of this Agreement shall commence on the Effective Date, and, except as otherwise provided in this Agreement, shall remain in effect through August 17, 1999 (the "Initial Term Ending Date"). After the Initial Term Ending Date, this Agreement shall continue in force and effect unless and until terminated as provided in this Agreement. Following the Initial Term Ending Date, either Party may terminate this Agreement by providing written notice of termination to the other Party, such written notice to be provided at least ninety (90) days in advance of the date of termination.
- 6.2 Following termination of this Agreement pursuant to Section 6.1, this Agreement, as amended from time to time, shall remain in effect as to any Termination Date Bell Atlantic Service for the remainder of the Contract Period applicable to such Termination Date Bell Atlantic Service at the time of the termination of this Agreement. If a Termination Date Bell Atlantic Service is terminated prior to the expiration of the Contract Period applicable to such Termination Date Bell Atlantic Service, Reseller shall pay any termination charge provided for in this Agreement.

7. SERVICE INSTALLATION AND MAINTENANCE

Reseller shall comply with Bell Atlantic's processes and procedures (including, but not limited to, requirements by Bell Atlantic that Reseller use Bell Atlantic OSS Services or Bell Atlantic Pre-OSS Services) for the communication to Bell Atlantic of (a) Reseller's Orders to provide, change or terminate, Bell Atlantic Services, and (b) Reseller's requests for information about, assistance in using, or repair or maintenance of, Bell Atlantic Services. Bell Atlantic may, from time-to-time, upon notice to Reseller, change these processes and procedures.

8. ASSIGNMENT

- 8.1 Reseller shall not assign this Agreement or any right or interest under this Agreement, nor delegate any obligation under this Agreement, without the prior written approval of Bell Atlantic, which approval shall not be unreasonably withheld, conditioned or delayed. Any attempted assignment or delegation in contravention of the foregoing shall be void and ineffective.
- 8.2 Bell Atlantic may, without the consent of Reseller, assign this Agreement or any right or interest under this Agreement, and/or delegate any obligation under this Agreement, to any of Bell Atlantic's Affiliates, or to a person with which Bell Atlantic merges or which acquires substantially all of Bell Atlantic's assets.

9. AVAILABILITY OF SERVICE

9.1 Subject to the requirements of Applicable Law, Bell Atlantic shall be obligated to provide Bell Atlantic Services to Reseller under this Agreement only where Bell Atlantic is able, without unreasonable expense (as determined by Bell Atlantic in its reasonable judgment), (a) to obtain, retain, install and maintain suitable facilities for the provision of such Bell Atlantic Services, and (b) to obtain, retain and maintain suitable rights for the provision of such Bell Atlantic Services.

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9.2 Bell Atlantic's obligation to provide a Bell Atlantic Retail Telecommunications Service to Reseller under this Agreement shall be limited to providing the Bell Atlantic Retail Telecommunications Service to Reseller where, and to the same extent, that Bell Atlantic provides such Bell Atlantic Retail Telecommunications Service to Bell Atlantic's own end user retail Customers.

10. BRANDING

- 10.1 Except as stated in Section 10.2, in providing Bell Atlantic Services to Reseller, Bell Atlantic shall have the right, but not the obligation, to identify the Bell Atlantic Services with Bell Atlantic's trade names, trademarks and service marks. Any such identification of the Bell Atlantic Services shall not constitute the grant of a license or other right to Reseller to use Bell Atlantic's trade names, trade marks or service marks.
- To the extent required by Applicable Law, upon request by Reseller and at prices, terms and conditions to be negotiated by Reseller and Bell Atlantic, Bell Atlantic shall provide Bell Atlantic Retail Telecommunications Services that are identified by Reseller's trade name, or that are not identified by trade name, trademark or service mark.

11. CHOICE OF LAW

- 11.1 The construction, interpretation and performance of this Agreement shall be governed by the laws of the United States of America and the laws of Jurisdiction (without regard to Jurisdiction's conflicts of laws rules). All disputes relating to this Agreement shall be resolved through the application of such laws.
- 11.2 Reseller agrees to submit to the jurisdiction of any court, commission or other governmental entity in which a claim, suit or proceeding which arises out of or in connection with this Agreement or Bell Atlantic Services provided under this Agreement and in which Bell Atlantic is a party, is brought.

12. COMPLIANCE WITH APPLICABLE LAW

- 12.1 Each Party shall in its performance of this Agreement comply with Applicable Law, including, but not limited to, all applicable regulations and orders of the Commission and the Federal Communications Commission (hereinafter the "FCC").
- 12.2 Reseller shall in providing Bell Atlantic Retail Telecommunications Services to Reseller Customers comply with Applicable Law, including, but not limited to, all applicable regulations and orders of the Commission and the FCC.

13. <u>CONFIDENTIAL INFORMATION</u>

- 13.1 For the purposes of this Section 13, "Confidential Information" means the following information disclosed by one Party ("Discloser") to the other Party ("Recipient") in connection with this Agreement:
- (a) Customer Information related to a Reseller Customer which is disclosed by Reseller to Bell Atlantic (except to the extent that (i) the Customer Information is subject to publication in a directory, (ii) the Customer Information is subject to disclosure through an Operator Service or other Telecommunications Service, or in the course of furnishing Telecommunications Services, or (iii) the Reseller Customer to whom the Customer Information is related, in the manner required by Applicable Law, has given Bell Atlantic permission to use and/or disclose the Customer Information);

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- (b) Customer Information related to a Bell Atlantic Customer which is disclosed by Bell Atlantic to Reseller (except to the extent that the Bell Atlantic Customer to whom the Customer Information is related, in the manner required by Applicable Law, has given Reseller permission to use and/or disclose the Customer Information);
- (c) Information related to specific Bell Atlantic facilities and equipment (including, but not limited to, cable-and-pair information) which is disclosed by Bell Atlantic to Reseller; and
- (d) Any other information which is identified by the Discloser as Confidential Information in accordance with Section 13.2.
- 13.2 All information which is to be treated as Confidential Information under Section 13.1(d) shall:
- (a) if in written, graphic, electromagnetic, or other tangible form, be marked as "Confidential" or "Proprietary"; and
- (b) if oral, (i) be identified by the Discloser at the time of disclosure to be "Confidential" or "Proprietary", and (ii) be set forth in a written summary which identifies the information as "Confidential" or "Proprietary" and is delivered by the Discloser to the Recipient within ten (10) days after the oral disclosure.

Each Party shall have the right to correct an inadvertent failure to identify information as Confidential Information pursuant to Section 13.1(d) by giving written notification within thirty (30) days after the information is disclosed. The Recipient shall, from that time forward, treat such information as Confidential Information.

Notwithstanding any other provision of this Agreement, a Party shall have the right to refuse to accept receipt of information which the other Party has identified as Confidential Information pursuant to Section 13.1(d).

- 13.3 In addition to any requirements imposed by law, including, but not limited to, 47 U.S.C. § 222, for a period of five years from the receipt of Confidential Information from the Discloser, except as otherwise specified in this Agreement, the Recipient agrees:
- (a) to use the Confidential Information only for the purpose of performing under this Agreement;
- (b) using the same degree of care that it uses with similar confidential information of its own, to hold the Confidential Information in confidence and restrict disclosure of the Confidential Information solely to the Recipient's Affiliates, and the directors, officers and employees of the Recipient and the Recipient's Affiliates, having a need to know the Confidential Information for the purpose of performing under this Agreement. The Recipient's Affiliates and the directors, officers and employees of the Recipient and the Recipient's Affiliates, shall be required by the Recipient to comply with the provisions of this Section 13 in the same manner as the Recipient. The Recipient shall be liable for any failure of the Recipient's Affiliates and the directors, officers and employees of the Recipient and the Recipient's Affiliates, to comply with the provisions of this Section 13.
- 13.4 If the Recipient wishes to disclose the Discloser's Confidential Information to a third party Agent or contractor, such disclosure must be mutually agreed to in writing by the Parties to this Agreement, and the Agent or contractor must have executed a written agreement of non-disclosure and non-use comparable in scope to the terms of this Section 13.

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- 13.5 The Recipient may make copies of Confidential Information only as reasonably necessary to perform its obligations under this Agreement. All such copies shall bear the same copyright and proprietary rights notices as are contained on the original.
- 13.6 The Recipient shall return or destroy all Confidential Information received from the Discloser, including any copies made by the Recipient, within thirty (30) days after a written request by the Discloser is delivered to the Recipient, except for (a) Confidential Information that the Recipient reasonably requires to perform its obligations under this Agreement, and (b) Customer Information related to a Reseller Customer that is to be treated by Bell Atlantic as Confidential Information pursuant to Section 13.1(a). If the Recipient loses or makes an unauthorized disclosure of the Discloser's Confidential Information, it shall notify the Discloser immediately and use reasonable efforts to retrieve the lost or improperly disclosed information.
- 13.7 The requirements of this Section 13 shall not apply to Confidential Information:
- which was in the possession of the Recipient free of restriction prior to its receipt from the Discloser:
- after it becomes publicly known or available through no breach of this Agreement by the Recipient, the Recipient's Affiliates, or the directors, officers, employees, Agents, or contractors, of the Recipient or the Recipient's Affiliates;
- after it is rightfully acquired by the Recipient free of restrictions on its (c) disclosure:
 - (d) after it is independently developed by the Recipient; or
- to the extent the disclosure is required by Applicable Law, a court, or (e) governmental agency; provided, the Discloser has been notified of the required disclosure promptly after the Recipient becomes aware of the required disclosure, the Recipient undertakes reasonable lawful measures to avoid disclosing the Confidential Information until the Discloser has had reasonable time to seek a protective order, and the Recipient complies with any protective order that covers the Confidential Information to be disclosed.
- Each Party's obligations to safeguard Confidential Information disclosed prior to expiration, cancellation or termination of this Agreement shall survive such expiration, cancellation or termination.
- Confidential Information shall remain the property of the Discloser, and the Discloser shall retain all of the Discloser's right, title and interest in any Confidential Information disclosed by the Discloser to the Recipient. Except as otherwise expressly provided elsewhere in this Agreement, no license is granted by this Agreement with respect to any Confidential Information (including, but not limited to, under any patent, trademark, or copyright), nor is any such license to be implied, solely by virtue of the disclosure of any Confidential Information.
- Each Party agrees that the Discloser would be irreparably injured by a breach of this Section 13 by the Recipient, the Recipient's Affiliates, or the directors, officers, employees. Agents or contractors of the Recipient or the Recipient's Affiliates, and that the Discloser shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of the provisions of this Section 13. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 13, but shall be in addition to any other remedies available under this Agreement or at law or in equity.

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13.11 The provisions of this Section 13 shall be in addition to and not in derogation of any provisions of Applicable Law, including, but not limited to, 47 U.S.C. § 222, and are not intended to constitute a waiver by a Party of any right with regard to protection of the confidentiality of information of the Party or its Customers provided by Applicable Law. In the event of a conflict between a provision of this Section 13 and a provision of Applicable Law, the provision of Applicable Law shall prevail.

14. CONTINGENCIES

Neither Party shall be liable for any delay or failure in performance by it which results from strikes, labor slowdowns, or other labor disputes, fires, explosions, floods, earthquakes, volcanic action, delays in obtaining or inability to obtain necessary services, facilities, equipment, parts or repairs thereof, power failures, embargoes, boycotts, unusually severe weather conditions, revolution, riots or other civil disturbances, war or acts of the public enemy, acts of God, or causes beyond the Party's reasonable control.

15. COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument.

16. **CUSTOMER INFORMATION**

- Without in any way limiting Section 12, each Party shall comply with Applicable Law with regard to Customer Information, including, but not limited to, 47 U.S.C. § 222.
- 16.2 A Party ("Accessing Party") shall not access (including, but not limited to, in the case of Reseller, through Bell Atlantic OSS Services and Bell Atlantic Pre-OSS Services), use or disclose Customer Information made available to the Accessing Party by the other Party pursuant to this Agreement unless the Accessing Party, in the manner required by Applicable Law, has obtained any Customer authorization for such access, use and/or disclosure required by Applicable Law. By accessing, using or disclosing Customer Information made available to the Accessing Party by the other Party pursuant to this Agreement, the Accessing Party represents and warrants that the Accessing Party has obtained, in the manner required by Applicable Law. any Customer authorization for such action required by Applicable Law. The Accessing Party shall upon request by the other Party provide proof of such authorization (including, a copy of any written authorization).
- Bell Atlantic shall have the right (but not the obligation) to audit Reseller to ascertain whether Reseller is complying with the requirements of Applicable Law and this Agreement, with regard to Reseller's access to, and use and disclosure of. Customer Information which is made available to Reseller by Bell Atlantic pursuant to this Agreement.
- In addition to Bell Atlantic's audit rights under Section 16.3, Bell Atlantic shall have the right (but not the obligation) to monitor Reseller's access to and use of Customer Information which is made available by Bell Atlantic to Reseller pursuant to this Agreement, to ascertain whether Reseller is complying with the requirements of Applicable Law and this Agreement, with regard to Reseller's access to, and use and disclosure of, such Customer Information. The foregoing right shall include, but not be limited to, the right (but not the obligation) to electronically monitor Reseller's access to and use of Customer Information which is made available by Bell Atlantic to Reseller pursuant to this Agreement through Bell Atlantic OSS Facilities or other electronic interfaces or gateways.

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16.5 Information obtained by Bell Atlantic pursuant to Section 16.3 or Section 16.4 shall be treated by Bell Atlantic as Confidential Information of Reseller pursuant to Section 13; provided that, Bell Atlantic shall have the right (but not the obligation) to use and disclose information obtained by Bell Atlantic pursuant to this Section 16 to enforce Applicable Law and/or Bell Atlantic's rights under this Agreement.

17. DEFAULT

- 17.1 If Reseller materially breaches a material provision of this Agreement (other than an obligation to make payment of any amount billed under this Agreement), and such breach continues for more than thirty (30) days after written notice thereof from Bell Atlantic, then, except as otherwise required by Applicable Law, Bell Atlantic shall have the right, upon notice to Reseller, to terminate or suspend this Agreement and/or provision of Bell Atlantic Services, in whole or in part.
- 17.2.1 If Reseller fails to make a payment of any amount billed under this Agreement by the due date stated on the bill and such failure continues for more than thirty (30) days after written notice thereof from Bell Atlantic, then, except as provided in Section 17.2.2, below, or as otherwise required by Applicable Law, Bell Atlantic shall have the right, upon notice to Reseller, to terminate or suspend this Agreement and/or provision of Bell Atlantic Services, in whole or in part.
- 17.2.2 If a good faith dispute arises between the Parties concerning the obligation of Reseller to make payment of an amount billed under this Agreement, the failure to pay the amount in dispute shall not constitute cause for termination or suspension of this Agreement or provision of Bell Atlantic Services, if, within thirty (30) days of the date that Bell Atlantic gives Reseller written notice of the failure to pay the amount in dispute, Reseller (a) gives Bell Atlantic written notice of the dispute stating the basis of the dispute, and (b) furnishes to Bell Atlantic an irrevocable letter of credit in a form acceptable to Bell Atlantic or other security arrangement acceptable to Bell Atlantic, guaranteeing payment to Bell Atlantic of any portion of the disputed amount (including the whole of the disputed amount) which is thereafter agreed by Bell Atlantic and Reseller, or determined by a court or other governmental entity of appropriate jurisdiction, to be due to Bell Atlantic. The existence of such a dispute shall not relieve Reseller of its obligations to pay any undisputed amount which is due to Bell Atlantic and to otherwise comply with this Agreement.

18. FACILITIES

- 18.1 Bell Atlantic or its suppliers shall retain all right, title and interest in, and ownership of, all facilities, equipment, software, information, and wiring, used to provide Bell Atlantic Services. Bell Atlantic shall have access at all reasonable times to Reseller and Reseller Customer locations for the purpose of installing, inspecting, maintaining, repairing, and removing, facilities, equipment, software, and wiring, used to provide the Bell Atlantic Services. Reseller shall, at Reseller's expense, obtain any rights and authorizations necessary for such access.
- 18.2 Except as otherwise agreed to in writing by Bell Atlantic, Bell Atlantic shall not be responsible for the installation, inspection, repair, maintenance, or removal, of facilities, equipment, software, or wiring, provided by Reseller or Reseller Customers for use with Bell Atlantic Services.

19. INTELLECTUAL PROPERTY

Except as expressly stated in this Agreement, nothing contained within this Agreement shall be construed as the grant of a license, either express or implied, with respect to

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any patent, copyright, trade name, trade mark, service mark, trade secret, or other proprietary interest or intellectual property, now or hereafter owned, controlled or licensable by either Party.

20. <u>JOINT WORK PRODUCT</u>

The Principal Document is the joint work product of the representatives of the Parties. For convenience, the Principal Document has been drafted in final form by Bell Atlantic. Accordingly, in the event of ambiguities, no inferences shall be drawn against either Party solely on the basis of authorship of the Principal Document.

21. LIABILITY

- 21.1.1 AS USED IN THIS SECTION 21, "OTHER BELL ATLANTIC PERSONS" MEANS BELL ATLANTIC'S AFFILIATES, AND THE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND CONTRACTORS, OF BELL ATLANTIC AND BELL ATLANTIC'S AFFILIATES.
- 21.1.2 AS USED IN THIS SECTION 21, "BELL ATLANTIC SERVICE FAILURE" MEANS AND INCLUDES ANY FAILURE TO INSTALL, RESTORE, PROVIDE OR TERMINATE A BELL ATLANTIC SERVICE, AND ANY MISTAKE, OMISSION, INTERRUPTION, DELAY, ERROR, DEFECT, FAULT, FAILURE, OR DEFICIENCY, IN A BELL ATLANTIC SERVICE.
- 21.2 THE LIABILITY, IF ANY, OF BELL ATLANTIC AND OTHER BELL ATLANTIC PERSONS, TO RESELLER, RESELLER CUSTOMERS AND/OR ANY OTHER PERSON, FOR ANY CLAIM, LOSS OR DAMAGES ARISING OUT OF OR IN CONNECTION WITH A BELL ATLANTIC SERVICE FAILURE, SHALL BE LIMITED AND/OR EXCLUDED AS SET FORTH IN BELL ATLANTIC'S TARIFFS.
- 21.3.1 TO THE EXTENT THE BELL ATLANTIC TARIFFS APPLICABLE TO A BELL ATLANTIC SERVICE DO NOT CONTAIN A PROVISION WHICH LIMITS OR EXCLUDES THE LIABILITY OF BELL ATLANTIC AND/OR OTHER BELL ATLANTIC PERSONS TO RESELLER, RESELLER CUSTOMERS AND/OR ANY OTHER PERSON, FOR ANY CLAIM, LOSS OR DAMAGES ARISING OUT OF OR IN CONNECTION WITH A BELL ATLANTIC SERVICE FAILURE, SECTION 21.3.3 SHALL APPLY.
- 21.3.2 TO THE EXTENT A BELL ATLANTIC SERVICE IS NOT SUBJECT TO A BELL ATLANTIC TARIFF. SECTION 21.3.3 SHALL APPLY.
- 21.3.3 THE LIABILITY, IF ANY, OF BELL ATLANTIC AND OTHER BELL ATLANTIC PERSONS, TO RESELLER, RESELLER CUSTOMERS AND/OR ANY OTHER PERSON, FOR ANY CLAIM, LOSS OR DAMAGES ARISING OUT OF OR IN CONNECTION WITH A BELL ATLANTIC SERVICE FAILURE, SHALL BE LIMITED TO A TOTAL AMOUNT NOT IN EXCESS OF: (a) TWICE THE PROPORTIONATE CHARGE FOR THE BELL ATLANTIC SERVICE AFFECTED DURING THE PERIOD OF THE BELL ATLANTIC SERVICE FAILURE; OR, (b) IF THERE IS NO CHARGE FOR THE BELL ATLANTIC SERVICE AFFECTED, FIVE HUNDRED DOLLARS (\$500.00).
- 21.4 NOTWITHSTANDING ANYTHING CONTAINED IN SECTION 21.2, SECTION 21.3.1, SECTION 21.3.2, OR SECTION 21.3.3, ABOVE, BELL ATLANTIC AND OTHER BELL ATLANTIC PERSONS SHALL HAVE NO LIABILITY TO RESELLER, RESELLER CUSTOMERS, AND/OR ANY OTHER PERSON, FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL, DAMAGES (INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR HARM TO BUSINESS, LOST REVENUES, LOST PROFITS, LOST SAVINGS, OR OTHER COMMERCIAL OR ECONOMIC LOSS), ARISING OUT OF OR IN CONNECTION WITH A BELL ATLANTIC SERVICE FAILURE OR ANY BREACH OR FAILURE IN PERFORMANCE OF THIS AGREEMENT BY BELL ATLANTIC.

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- 21.5 THE LIMITATIONS AND EXCLUSIONS FROM LIABILITY STATED IN SECTIONS 21.2 THROUGH 21.4 SHALL APPLY REGARDLESS OF THE FORM OF A CLAIM OR ACTION, WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING, BUT NOT LIMITED TO, THE NEGLIGENCE OF BELL ATLANTIC AND/OR OTHER BELL ATLANTIC PERSONS), STRICT LIABILITY, OR OTHERWISE, AND REGARDLESS OF WHETHER BELL ATLANTIC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- Reseller shall, in its tariffs or other contracts with Reseller Customers, provide that in no case shall Bell Atlantic or Other Bell Atlantic Persons be liable to Reseller Customers or to any other third parties for any indirect, special, incidental, consequential, or other damages, including, but not limited to, harm to business, lost revenues, lost profits, lost savings, or other commercial or economic loss, whether foreseeable or not, and regardless of notification of the possibility of such damages. Reseller shall indemnify, defend and hold Bell Atlantic and Other Bell Atlantic Persons harmless from claims by Reseller Customers and other third parties as provided in Bell Atlantic's Tariffs.
- 21.7 Bell Atlantic's obligations under this Agreement shall extend only to Reseller. Bell Atlantic shall have no liability under this Agreement to Reseller Customers or to any other third party. Nothing in this Agreement shall be deemed to create a third party beneficiary relationship between Bell Atlantic and Reseller Customers or any other third party.
- Reseller shall indemnify, defend and hold harmless Bell Atlantic, Bell Atlantic's Affiliates, and the directors, officers and employees of Bell Atlantic and Bell Atlantic's Affiliates, from any claims, suits, government proceedings, judgments, fines, liabilities, losses, damages, costs or expenses (including reasonable attorneys fees) arising out of or in connection with: (a) the failure of Reseller to transmit to Bell Atlantic a request by a Reseller Customer to install, provide, change or terminate, a Bell Atlantic Retail Telecommunications Service; (b) the transmission by Reseller to Bell Atlantic of an Order to install, provide, change or terminate, a Bell Atlantic Retail Telecommunications Service, which Order was not authorized by the applicable Reseller Customer; (c) erroneous or inaccurate information in an Order transmitted by Reseller to Bell Atlantic; (d) the transmission by Reseller to Bell Atlantic of an Order to change or terminate a Telecommunications Service provided to an end user by Bell Atlantic or another Telecommunications Service provider, or to install or provide a Telecommunications Service for an end user, which Order was not authorized by the applicable end user; (e) the transmission by Reseller to Bell Atlantic of an Order to select, change or reassign a telephone number for an end user, which Order was not authorized by the applicable end user; (f) the transmission by Reseller to Bell Atlantic of an Order to select a Telephone Exchange Service provider for an end user, or to change or terminate an end user's selection of a Telephone Exchange Service provider, which Order was not authorized by the applicable end user in the manner required by Applicable Law (or, in the absence of such Applicable Law, in the manner required by the rules and procedures in 47 CFR § 64.1100); (g) access to, or use or disclosure of, Customer Information or Bell Atlantic OSS Information by Reseller or Reseller's employees, Agents or contractors; (h) the failure of Reseller to transmit, or to transmit in a timely manner, E911/911 information to Bell Atlantic; (i) erroneous or inaccurate E911/911 information transmitted by Reseller to Bell Atlantic; (j) any information provided by Reseller for inclusion in Bell Atlantic's LIDB; or, (k) the marketing, advertising or sale of Reseller's services and/or products (including, but not limited to, resold Bell Atlantic Retail Telecommunications Services), or the billing or collection of charges for Reseller's services and/or products (including, but not limited to, resold Bell Atlantic Retail Telecommunications Services). For the purposes of Section 21.8(b), (d) and (e), an Order shall be deemed not to have been authorized by a Reseller Customer or end user if Applicable Law and/or this Agreement required such authorization to be obtained in a particular manner, and Reseller did not obtain the authorization in the manner required by Applicable Law and this Agreement.

22. NON-EXCLUSIVE REMEDIES

Except as otherwise expressly provided in this Agreement, each of the remedies provided under this Agreement is cumulative and is in addition to any other remedies that may be available under this Agreement or at law or in equity.

23. NOTICES

All notices and other communications under this Agreement shall be deemed effective upon receipt by the Party being notified, provided such notices or communications are in writing and are sent by certified or registered mail, return receipt requested, or by a reputable private delivery service which provides a record of delivery, and addressed as shown below:

To Bell Atlantic:

Bell Atlantic -Pennsylvania, Inc. c/o Bell Atlantic Network Services, Inc. 1320 North Courthouse Road Arlington, Virginia 22201 Attn.: Director, Resale Initiatives

To Reseller: CTC communications

ATTN: Leonard Glass 45 Central Ave. Tenafly, NJ 07670

Telephone: (201) 894-9300 Facsimile: (201) 894-1718

Either Party may from time-to-time designate another address or addressee by giving notice in accordance with this Section 23.

24. OPTION TO OBTAIN BELL ATLANTIC SERVICE UNDER OTHER AGREEMENTS

If, at any time while this Agreement is in effect. Bell Atlantic is a party to an agreement with a Telecommunications Carrier other than Reseller ("Third-Person Telecommunications Carrier) to provide Bell Atlantic Services to the Third-Person Telecommunications Carrier, which agreement has been approved by the Commission pursuant to 47 U.S.C. § 252, upon request by Reseller, Bell Atlantic, to the extent required by Applicable Law (including, but not limited to 47 U.S.C. § 252(i)), shall make available to Reseller any Bell Atlantic Service offered by Bell Atlantic under the agreement with the Third-Person Telecommunications Carrier upon the same terms and conditions (including prices) provided in the agreement with the Third-Person Telecommunications Carrier, but (except as otherwise expressly agreed in writing by the Parties) only on a prospective basis. Following such request by Reseller and prior to provision of the Bell Atlantic Service by Bell Atlantic to Reseller pursuant to the terms and conditions (including prices) of the Third-Person Telecommunications Carrier agreement, this Agreement shall be amended to incorporate the terms and conditions (including prices) from the Third-Person Telecommunications Carrier agreement applicable to the Bell Atlantic Service Reseller has elected to purchase pursuant to the terms and conditions (including prices) of the Third-Person Telecommunications Carrier agreement. Except as otherwise expressly agreed in writing by the Parties, the amendment shall apply on a prospective basis only and shall not apply with regard to any Bell Atlantic Service provided by Bell Atlantic to Reseller prior to the effective date of the amendment.

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24.2 To the extent the exercise of the foregoing option requires a rearrangement of facilities by Bell Atlantic, Reseller shall be liable for the non-recurring charges associated therewith, as well as for any termination charges associated with the termination of existing facilities or Bell Atlantic Services.

25. REGULATORY APPROVALS

- 25.1 Within thirty (30) days after execution of this Agreement by the Parties, Bell Atlantic shall file the Agreement with the Commission for approval by the Commission.
- 25.2 Each Party shall exercise reasonable efforts (including reasonably cooperating with the other Party) to secure approval of this Agreement, and any amendment to this Agreement agreed to by the Parties, from the Commission, the FCC, and other applicable governmental entities.
- Upon request by Bell Atlantic, Reseller shall, at Reseller's expense, provide reasonable, good-faith support and assistance to Bell Atlantic in obtaining any governmental approvals necessary for (a) this Agreement and any amendment to this Agreement agreed to by the Parties, and/or (b) the provision of Bell Atlantic Services by Bell Atlantic to Reseller. Without in any way limiting the foregoing, upon request by Bell Atlantic, Reseller shall (a) join in petitions requesting approval of this Agreement, or an amendment to this Agreement agreed to by the Parties, to be filed with the Commission, the FCC, or other applicable governmental entities, and (b) file other documents with and present testimony to the Commission, the FCC, or other applicable governmental entities, requesting approval of this Agreement or an amendment to this Agreement agreed to by the Parties.

26. REGULATORY CONTINGENCIES

- 26.1 Neither Party shall be liable for any delay or failure in performance by it which results from requirements of Applicable Law, or acts or failures to act of any governmental entity or official.
- 26.2 In the event that any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable any other provision of this Agreement, and this Agreement shall be construed as if it did not contain such invalid or unenforceable provision.
- In the event that any legislative, regulatory, judicial or other governmental action materially affects any material terms of this Agreement, the ability of either Party to perform any material terms of this Agreement, or the rights or obligations of either Party under this Agreement, the Parties shall take such action as shall be necessary to conform this Agreement to the governmental action and/or to permit Bell Atlantic to continue to provide and Reseller to continue to purchase Bell Atlantic Services, including, but not limited to, conducting good faith negotiations to enter into a mutually acceptable modified or substitute agreement, filing tariffs, or additional, supplemental or modified tariffs, and making other required filings with governmental entities.
- In the event of a governmental action described in Section 26.3, above, to the extent permitted by Applicable Law, Bell Atlantic shall continue to provide and Reseller shall continue to subscribe to, use and pay for, any Bell Atlantic Services affected by the governmental action until the action to be taken by Bell Atlantic and Reseller under Section 26.3, above, is taken and becomes effective in accordance with Applicable Law. Such continued provision of and subscription to, use of and payment for, the affected Bell Atlantic Services shall be in accordance with the terms (including prices) of this Agreement, unless other terms, including but not limited to the terms of a Bell Atlantic Tariff, are required by Applicable Law.

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- 26.5 If suspension or termination of the provision of any Bell Atlantic Service is required by or as a result of a governmental action, such suspension or termination shall not affect Reseller's subscription to, use or obligation to pay for, other Bell Atlantic Services, unless such suspension or termination has a material, adverse effect on Reseller's ability to use the other Bell Atlantic Services.
- 26.6 If any of the Bell Atlantic Services to be provided by Bell Atlantic pursuant to a tariff shall at any time become detariffed or deregulated, Bell Atlantic may transfer the provisions of the tariff relative to such Bell Atlantic Services to a Bell Atlantic "Guide for Detariffed Services" or similar document, and such "Guide for Detariffed Services" or similar document, as amended by Bell Atlantic from time-to-time, shall become a part of this Agreement.

27. RELATIONSHIP OF THE PARTIES

- 27.1 The relationship between the Parties under this Agreement shall be that of independent contractors.
- 27.2 Nothing contained in this Agreement shall:
 - (a) make either Party the Agent or employee of the other Party;
- (b) grant either Party the authority to enter into a contract on behalf of, or otherwise legally bind, the other Party in any way;
- (c) create a partnership, joint venture or other similar relationship between the parties; or
 - (d) grant to Reseller a franchise, distributorship or similar interest.
- 27.3 Each Party shall be solely responsible for selection, supervision, termination, and compensation, of its respective employees, Agents and contractors.
- 27.4 Each Party shall be solely responsible for payment of any Social Security or other taxes which it is required by Applicable Law to pay in conjunction with its employees, Agents or contractors, and for collecting and remitting to applicable taxing authorities any taxes which it is required by Applicable Law to collect from its employees, Agents or contractors.
- 27.5 The relationship of the Parties under this Agreement is a non-exclusive relationship. Bell Atlantic shall have the right to provide services offered by Bell Atlantic under this Agreement to persons other than Reseller. Reseller shall have the right to purchase services that may be purchased by Reseller under this Agreement from persons other than Bell Atlantic.

28. RESELLER'S PROVISION OF SERVICE

- 28.1 Prior to providing Bell Atlantic Retail Telecommunications Services purchased by Reseller under this Agreement to Reseller Customers, Reseller shall obtain from the Commission, the FCC, and any other applicable governmental entities, any certificates or other authorizations required by Applicable Law for Reseller to provide Telecommunications Services. Reseller shall promptly notify Bell Atlantic in writing of any governmental action which suspends, cancels or withdraws any such certificate or authorization, or otherwise limits or affects Reseller's right to provide Telecommunications Services.
- 28.2 To the extent required by Applicable Law, Reseller shall: (a) file with the Commission, the FCC, and/or other applicable governmental entities, the tariffs, arrangements and other documents that set forth the terms, conditions and prices under which Reseller

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provides Telecommunications Services; and, (b) make available for public inspection, the tariffs, arrangements and other documents that set forth the terms, conditions and prices under which Reseller provides Telecommunications Services.

29. RESELLER'S RESALE AND USE OF SERVICE

- 29.1 Reseller shall comply with the provisions of this Agreement (including, but not limited to, Bell Atlantic's Tariffs) regarding resale or use of Bell Atlantic Services, including, but not limited to, any restrictions on resale or use of Bell Atlantic Services.
- 29.2 Without in any way limiting Section 29.1, (a) Reseller shall not resell residential service to persons not eligible to subscribe to such service from Bell Atlantic (including, but not limited to, business Reseller Customers and other nonresidential Reseller Customers), and (b) Reseller shall not resell Lifeline or other means-tested service offerings, or grandfathered or discontinued service offerings, to persons not eligible to subscribe to such service offerings from Bell Atlantic.
- 29.3 Reseller shall undertake in good faith to ensure that Reseller Customers comply with the provisions of Bell Atlantic's Tariffs applicable to their use of Bell Atlantic Retail Telecommunications Services.
- 29.4 Reseller shall comply with Applicable Law, and Bell Atlantic's procedures, for handling requests from law enforcement and other government agencies for service termination, assistance with electronic surveillance, and provision of information.

30. RESPONSIBILITY FOR CHARGES

- 30.1 Reseller shall be responsible for and pay all charges for any Bell Atlantic Service provided by Bell Atlantic to Reseller, whether the Bell Atlantic Service is ordered, activated or used by Reseller, a Reseller Customer, or another person.
- 30.2 In addition to the charges for Bell Atlantic Services, Reseller agrees to pay any charges for Telecommunications Services, facilities, equipment, software, wiring, or other services or products, provided by Bell Atlantic, or provided by persons other than Bell Atlantic and billed for by Bell Atlantic, that are ordered, activated or used by Reseller, Reseller Customers or other persons, through, by means of, or in association with, Bell Atlantic Services provided by Bell Atlantic to Reseller.
- 30.3 Reseller agrees to indemnify, defend and hold Bell Atlantic harmless from, any charges for Telecommunications Services, facilities, equipment, software, wiring, or other services or products, provided by persons other than Bell Atlantic that are ordered, activated or used by Reseller, Reseller Customers or other persons, through, by means of, or in association with, Bell Atlantic Services provided by Bell Atlantic to Reseller.
- 30.4 Without in any way limiting Reseller's obligations under Section 30.1, Section 30.2 and Section 30.3, Reseller shall pay, or collect and remit to Bell Atlantic, without discount, all Subscriber Line Charges, Federal Line Cost Charges, end user common line charges, and carrier selection and change charges, associated with Bell Atlantic Services provided by Bell Atlantic to Reseller.
- 30.5 Upon request by Reseller, Bell Atlantic will provide for use on resold Bell Atlantic Retail Telecommunications Service dial tone lines purchased by Reseller such Bell Atlantic Retail Telecommunications Service call blocking services as Bell Atlantic provides to Bell Atlantic's own end user retail Customers, where and to the extent Bell Atlantic provides such Bell Atlantic Retail

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Telecommunications Service call blocking services to Bell Atlantic's own end user retail Customers.

31. SECTION HEADINGS

The section headings in the Principal Document are for convenience only and are not intended to affect the meaning or interpretation of the Principal Document.

32. SERVICES NOT COVERED BY THIS AGREEMENT

- This Agreement applies only to Bell Atlantic Services (as the term "Bell Atlantic Service" is defined in Section 1.1.6) provided, or to be provided, by Bell Atlantic to Reseller, as specified in Section 3. Any Telecommunications Services, facilities, equipment, software, wiring, or other services or products (including, but not limited to, Telecommunications Services, facilities, equipment, software, wiring, or other services or products, interconnected or used with Bell Atlantic Services provided, or to be provided, by Bell Atlantic to Reseller) provided, or to be provided, by Bell Atlantic to Reseller, which are not subscribed to by Reseller under this Agreement, must be subscribed to by Reseller separately, pursuant to other written agreements (including, but not limited to, applicable Bell Atlantic Tariffs). Reseller shall use and pay for any Telecommunications Services, facilities, equipment, software, wiring, or other services or products, provided, or to be provided, by Bell Atlantic to Reseller, which are not subscribed to by Reseller under this Agreement, in accordance with such other written agreements (including, but not limited to, applicable Bell Atlantic Tariffs).
- 32.2 Without in any way limiting Section 32.1 and without attempting to list all Bell Atlantic products and services that are not subject to this Agreement, the Parties agree that this Agreement does not apply to the purchase by Reseller of the following Bell Atlantic services and products: except as expressly stated in the Principal Document, exchange access services as defined in Section 3(16) of the Act, 47 U.S.C. § 153(16) (including, but not limited to, primary interLATA toll carrier and primary intraLATA toll carrier choice or change); Bell Atlantic Answer Call, Bell Atlantic Answer Call Plus, Bell Atlantic Home Voice Mail, Bell Atlantic Home Voice Mail Plus, Bell Atlantic Voice Mail, Bell Atlantic Basic Mailbox, Bell Atlantic Optimail Service, and other voice mail, fax mail, voice messaging, and fax messaging, services; Bell Atlantic Optional Wire Maintenance Plan; Bell Atlantic Guardian Enhanced Maintenance Service; Bell Atlantic Sentry I Enhanced Maintenance Service; Bell Atlantic Sentry II Enhanced Maintenance Service; Bell Atlantic Public Telephone Service; customer premises equipment; Bell Atlantic Tariffs filed with the Commission; and, Bell Atlantic telephone directory advertisements.
- 32.3 Without in any way limiting Section 32.1, the Parties also agree that this Agreement does not apply to the installation, inspection, maintenance, repair, removal, or use of any facilities, equipment, software, or wiring, located on Reseller's side of the Network Rate Demarcation Point applicable to Reseller and does not grant to Reseller or Reseller Customers a right to installation, inspection, maintenance, repair, or removal, by Bell Atlantic, or use, by Reseller or Reseller Customers, of any such facilities, equipment, software, or wiring.
- Without in any way limiting Section 32.1, the Parties agree that this Agreement does not apply to the purchase by Reseller of Audiotex Services (including, but not limited to, Dial-It, 976, 915 and 556 services) for resale to Audiotex Service providers or other information service providers. Bell Atlantic shall have the right (but not the obligation) to block calls made to Audiotex Service numbers (including, but not limited to, Dial-It numbers and 976, 915 and 556 numbers) through Bell Atlantic Services purchased by Reseller under this Agreement. Notwithstanding the foregoing, Reseller shall pay, without discount, any charges for Audiotex Services (including, but not limited to, Dial-It, 976, 915 and 556 services) that are ordered,

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activated or used by Reseller, Reseller Customers or other persons, through, by means of, or in association with, Bell Atlantic Services provided by Bell Atlantic to Reseller.

- Nothing contained within this Agreement shall obligate Bell Atlantic to provide any service or product which is not a Bell Atlantic Service (including, but not limited to, the services listed in Sections 32.2, 32.3 and 32.4, above) to Reseller.
- 32.6 Nothing contained within this Agreement shall obligate Bell Atlantic to provide a Bell Atlantic Service or any other service or product to a Reseller Customer. Without in any way limiting the foregoing, except as otherwise required by Applicable Law, Bell Atlantic reserves the right to terminate provision of services and products (including, but not limited to, Telecommunications Services and the services listed in Sections 32.2 and 32.3, above) to any person who ceases to purchase Bell Atlantic Retail Telecommunications Service dial tone line service from Bell Atlantic.
- 32.7 Nothing contained in this Section 32 shall in any way exclude or limit Reseller's obligations and liabilities under Section 30, including, but not limited to Reseller's obligations and liabilities to pay charges for services and products as required by Section 30.

33. SERVICE QUALITY

Bell Atlantic Services provided by Bell Atlantic to Reseller under this Agreement shall comply with the quality requirements for such Bell Atlantic Services specified by Applicable Law (including, but not limited to, any applicable provisions of 47 CFR §§ 51.311 and 51.603(b)).

34. SINGLE POINT OF CONTACT

- Reseller shall be the single point of contact for Reseller Customers and other persons with regard to Telecommunications Services and other services and products which they wish to purchase from Reseller or which they have purchased from Reseller. Communications by Reseller Customers and other persons with regard to Telecommunications Services and other services and products which they wish to purchase from Reseller or which they have purchased from Reseller, shall be made to Reseller, and not to Bell Atlantic. Reseller shall instruct Reseller Customers and other persons that such communications shall be directed to Reseller.
- Without in any way limiting Section 34.1, requests by Reseller Customers for information about or provision of Telecommunications Services which they wish to purchase from Reseller, requests by Reseller Customers to change, terminate, or obtain information about, assistance in using, or repair or maintenance of, Telecommunications Services which they have purchased from Reseller, and inquiries by Reseller Customers concerning Reseller's bills, charges for Reseller's Telecommunications Services, and, if the Reseller Customers receive dial tone line service from Reseller, annoyance calls, shall be made by the Reseller Customers to Reseller, and not to Bell Atlantic.
- 34.3 Reseller shall establish telephone numbers and mailing addresses at which Reseller Customers and other persons may communicate with Reseller and shall advise Reseller Customers and other persons who may wish to communicate with Reseller of these telephone numbers and mailing addresses.

35. SURVIVAL

The liabilities and obligations of a Party for acts or omissions of the Party prior to the termination, cancellation or expiration of this Agreement, the rights, liabilities and obligations of a Party under any provision of this Agreement regarding indemnification or defense, Customer Information, confidential information, or limitation or exclusion of liability, the rights of Bell Atlantic

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and the liabilities and obligations of Reseller under Section 18.1, and the rights, liabilities and obligations of a Party under any provision of this Agreement which by its terms is contemplated to survive (or be performed after) termination, cancellation or expiration of this Agreement, shall survive termination, cancellation or expiration of this Agreement.

36. TAXES

- 36.1 With respect to any purchase of Bell Atlantic Services under this Agreement, if any Federal, state or local government tax, fee, duty, surcharge (including, but not limited to any E911/911, telecommunications relay service, or universal service fund, surcharge), or other tax-like charge (a "Tax") is required or permitted by Applicable Law to be collected from Reseller by Bell Atlantic, then (a) to the extent required by Applicable Law, Bell Atlantic shall bill Reseller for such Tax, (b) Reseller shall timely remit such Tax to Bell Atlantic (including both Taxes billed by Bell Atlantic and Taxes Reseller is required by Applicable Law to remit without billing by Bell Atlantic), and (c) Bell Atlantic shall remit such collected Tax to the applicable taxing authority.
- With respect to any purchase of Bell Atlantic Services under this Agreement, if any Tax is imposed by Applicable Law on the receipts of Bell Atlantic, which Applicable Law permits Bell Atlantic to exclude certain receipts received from sales of Bell Atlantic Services for resale by Reseller, such exclusion being based on the fact that Reseller is also subject to a Tax based upon receipts ("Receipts Tax"), then Reseller (a) shall provide Bell Atlantic with notice in writing in accordance with Section 36.7 of its intent to pay the Receipts Tax, and (b) shall timely pay the Receipts Tax to the applicable taxing authority.
- 36.3 With respect to any purchase of Bell Atlantic Services under this Agreement, that are resold by Reseller to a Reseller Customer, if any Tax is imposed by Applicable Law on the Reseller Customer in connection with the Reseller Customer's purchase of the resold Bell Atlantic Services which Reseller is required to impose and/or collect from the Reseller Customer, then Reseller (a) shall impose and/or collect such Tax from the Reseller Customer, and (b) shall timely remit such Tax to the applicable taxing authority.
- 36.4.1 If Bell Atlantic has not received an exemption certificate from Reseller and fails to bill Reseller for any Tax as required by Section 36.1, then, as between Bell Atlantic and Reseller, (a) Reseller shall remain liable for such unbilled Tax, and (b) Bell Atlantic shall be liable for any interest and/or penalty assessed on the unbilled Tax by the applicable taxing authority.
- 36.4.2 If Reseller fails to remit any Tax to Bell Atlantic as required by Section 36.1, then, as between Bell Atlantic and Reseller, Reseller shall be liable for such uncollected Tax and any interest and/or penalty assessed on the uncollected Tax by the applicable taxing authority.
- 36.4.3 If Bell Atlantic does not collect a Tax because Reseller has provided Bell Atlantic with an exemption certificate which is later found to be inadequate by the applicable taxing authority, then, as between Bell Atlantic and Reseller, Reseller shall be liable for such uncollected Tax and any interest and/or penalty assessed on the uncollected Tax by the applicable taxing authority.
- 36.4.4 Except as provided in Section 36.4.5, if Reseller fails to pay the Receipts Tax as required by Section 36.2, then, as between Bell Atlantic and Reseller, (a) Bell Atlantic shall be liable for any Tax imposed on Bell Atlantic's receipts, (b) Reseller shall be liable for any interest and/or penalty imposed on Bell Atlantic with respect to the Tax on Bell Atlantic's receipts, and (c) Reseller shall be liable for any Tax imposed on Reseller's receipts and any interest and/or penalty assessed by the applicable taxing authority on Reseller with respect to the Tax on Reseller's receipts.

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- 36.4.5.1 If any discount or portion of a discount in price provided to Reseller under this Agreement (including, but not limited to, a discount provided for in Exhibit II, Section 1.1) represents Tax savings to Bell Atlantic which it was anticipated Bell Atlantic would receive, because it was anticipated that receipts from sales of Bell Atlantic Services, that would otherwise be subject to a Tax on such receipts, could be excluded from such Tax under Applicable Law because the Bell Atlantic Services would be sold to Reseller for resale, and Bell Atlantic is, in fact, required by Applicable Law to pay such Tax on receipts from sales of Bell Atlantic Services to Reseller, then, as between Bell Atlantic and Reseller, (a) Reseller shall be liable for, and shall indemnify and hold harmless Bell Atlantic against (on an after-tax basis), any such Tax, and (b) Reseller shall be liable for, and shall indemnify and hold harmless Bell Atlantic against (on an after-tax basis), any interest and/or penalty assessed by the applicable taxing authority on either Reseller or Bell Atlantic with respect to the Tax on Bell Atlantic's receipts.
- 36.4.5.2 Without in any way limiting Reseller's obligations under Section 36.4.5.1, in consideration of receiving the Pennsylvania gross receipts tax related discount specified in Bell Atlantic Tariff PA. P.U.C.-No. 1, Section I, Paragraph 8.1.C.1.c, and/or Exhibit II, Attachment 1, Reseller agrees to reimburse Bell Atlantic for, and to indemnify and hold harmless Bell Atlantic against any gross receipts tax imposed on Bell Atlantic with respect to receipts from Bell Atlantic Retail Telecommunications Services provided by Bell Atlantic to Reseller under this Agreement.
- 36.4.6 If Reseller fails to impose and/or collect any Tax from Reseller Customers as required by Section 36.3, then, as between Bell Atlantic and Reseller, Reseller shall remain liable for such uncollected Tax and any interest and/or penalty assessed on such uncollected Tax by the applicable taxing authority.
- 36.4.7 With respect to any Tax that Reseller has agreed to pay, is responsible for because Reseller received a discount in price on Bell Atlantic Services attributable to anticipated Tax savings by Bell Atlantic, or is required to impose on and/or collect from Reseller Customers, Reseller agrees to indemnify and hold Bell Atlantic harmless on an after-tax basis for any costs incurred by Bell Atlantic as a result of actions taken by the applicable taxing authority to recover the Tax from Bell Atlantic due to failure of Reseller to timely remit the Tax to Bell Atlantic, or timely pay, or collect and timely remit, the Tax to the taxing authority.
- 36.5 If either Party is audited by a taxing authority, the other Party agrees to reasonably cooperate with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.
- 36.6.1 If Applicable Law clearly exempts a purchase of Bell Atlantic Services under this Agreement from a Tax, and if such Applicable Law also provides an exemption procedure, such as an exemption certificate requirement, then, if Reseller complies with such procedure, Bell Atlantic shall not collect such Tax during the effective period of the exemption. Such exemption shall be effective upon receipt of the exemption certificate or affidavit in accordance with Section 36.7.
- 36.6.2 If Applicable Law clearly exempts a purchase of Bell Atlantic Services under this Agreement from a Tax, but does not also provide an exemption procedure, then Bell Atlantic shall not collect such Tax if Reseller (a) furnishes Bell Atlantic with a letter signed by an officer of Reseller requesting an exemption and citing the provision in the Applicable Law which clearly allows such exemption, and (b) supplies Bell Atlantic with an indemnification agreement, reasonably acceptable to Bell Atlantic, which holds Bell Atlantic harmless on an after-tax basis with respect to forbearing to collect such Tax.
- 36.7 All notices, affidavits, exemption certificates or other communications required or permitted to be given by either Party to the other under this Section 36, shall be made in writing and shall be sent by certified or registered mail, return receipt requested, or by a reputable private

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delivery service which provides a record of delivery, to the addressee stated in Section 23 at the address stated in Section 23 and to the following:

To Bell Atlantic:

Tax Administration
Bell Atlantic Corporation
1095 Avenue of the Americas
Room 3109
New York, New York 10036

To Reseller: CTC communications

ATTN: Tax Department 360 Second Ave.

360 Second Ave. Waltham, MA 02451

Telephone: (781) 466-8080 Facsimile: (781) 466-1306

Either Party may from time-to-time designate another address or addressee by giving notice in accordance with the terms of this Section 36.7.

Any notice or other communication shall be deemed to be given when received.

37. TELEPHONE EXCHANGE SERVICE PROVIDER SELECTION

- 37.1 Without in any way limiting Reseller's obligations under Section 12, Reseller shall comply with Applicable Law with regard to end user selection of a Telephone Exchange Service provider. Until the Commission or the FCC adopts regulations and/or orders applicable to end user selection of a Telephone Exchange Service provider, Reseller shall apply the rules and procedures set forth in Section 64.1100 of the FCC Rules, 47 CFR § 64.1100, to the process for end user selection of a Telephone Exchange Service provider (including, to end user selection of a Telephone Exchange Service provider that occurs during any telemarketing contact with an end user), and shall comply with such rules and procedures.
- 37.2 By submitting to Bell Atlantic an Order to install, provide, change or terminate a Telecommunications Service, to select, change or reassign a telephone number, or to select, change or terminate an end user's Telephone Exchange Service provider, Reseller represents and warrants: (a) that Reseller has obtained authorization for such action from the applicable end user; and, (b) that if Applicable Law and/or this Agreement required such authorization to be obtained in a particular manner, Reseller obtained the authorization in the manner required by Applicable Law and this Agreement. Reseller shall upon request by Bell Atlantic provide proof of such authorization (including, a copy of any written authorization).
- 37.3 If Reseller submits an Order to Bell Atlantic to install, provide, change or terminate a Telecommunications Service, to select, change or reassign a telephone number, or to select, change or terminate an end user's Telephone Exchange Service provider, and (a) when requested by Bell Atlantic to provide a written document signed by the end user stating the end user's Telephone Exchange Service provider selection, fails to provide such document to Bell Atlantic, or (b) has not obtained authorization for such installation, provision, selection, change, reassignment or termination, from the end user in the manner required by Applicable Law (or, in the absence of Applicable Law, in the manner required by the rules and procedures in 47 CFR § 64.1100), Reseller shall be liable to Bell Atlantic for all charges that would be applicable to the end user for the initial installation, provision, selection, change, reassignment or termination, of

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the end user's Telecommunications Service, telephone number, and/or Telephone Exchange Service provider, and any charges for restoring the end user's Telecommunications Service, telephone number, and/or Telephone Exchange Service provider selection, to its end user authorized condition.

38. TELEPHONE NUMBERS

- 38.1 Reseller's use of telephone numbers shall be subject to Applicable Law (including, but not limited to, the rules of the FCC, the North American Numbering Council, and the North American Numbering Plan Administrator), the applicable provisions of this Agreement (including, but not limited to, this Section 38), and Bell Atlantic's practices and procedures for use and assignment of telephone numbers, as amended from time-to-time.
- 38.2 Subject to Sections 38.1 and 38.3, if an end user who subscribes to a Bell Atlantic Retail Telecommunications Service dial tone line from either Reseller or Bell Atlantic changes the Telecommunications Carrier from whom the end user subscribes for such dial tone line (including a change from Bell Atlantic to Reseller, from Reseller to Bell Atlantic, or from Reseller to a Telecommunications Carrier other than Bell Atlantic), after such change, the end user may continue to use with the dial tone line the telephone numbers which were assigned to the dial tone line by Bell Atlantic immediately prior to the change.
- 38.3 Bell Atlantic shall have the right to change the telephone numbers used by an end user if at any time: (a) the type or class of service subscribed to by the end user changes; (b) the end user requests service at a new location, that is not served by the Bell Atlantic switch and the Bell Atlantic rate center from which the end user previously had service; or, (c) continued use of the telephone numbers is not technically feasible.
- 38.4 If service on a Bell Atlantic Retail Telecommunications Service dial tone line subscribed to by Reseller from Bell Atlantic under this Agreement is terminated, the telephone numbers associated with such dial tone line shall be available for reassignment by Bell Atlantic to any person to whom Bell Atlantic elects to assign the telephone numbers, including, but not limited to, Bell Atlantic, Bell Atlantic end user retail Customers, Reseller, or Telecommunications Carriers other than Bell Atlantic and Reseller.

39. WARRANTIES

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BELL ATLANTIC MAKES NO WARRANTIES WITH RESPECT TO BELL ATLANTIC SERVICES, WHETHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, IN FACT OR IN LAW. THE WARRANTIES SET FORTH IN THIS AGREEMENT ARE BELL ATLANTIC'S EXCLUSIVE WARRANTIES WITH RESPECT TO BELL ATLANTIC SERVICES AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL, IN FACT OR IN LAW. BELL ATLANTIC DISCLAIMS ANY AND ALL OTHER WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES AGAINST INFRINGEMENT, AND WARRANTIES ARISING BY TRADE CUSTOM, TRADE USAGE, COURSE OF DEALING, OR OTHERWISE.

40. AUTHORIZATION

40.1.1 Bell Atlantic is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has full power and authority to execute and deliver this Agreement and to perform the obligations hereunder on behalf of Bell Atlantic.

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40.2 CTC Communications, a corporation, is duly organized, validly existing and in good standing under the laws of Massachusetts, and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

IN WITNESS WHEREOF, intending to be legally bound, Reseller and Bell Atlantic have caused this Agreement to be executed by their respective authorized representatives.

CTC Co	ommunications
BY:	
ITS:	Signature
	Name (Printed)
	Title
BELL ATLANTIC - PENNSYLVANIA, INC.	
BY:	
	Signature
TITLE:	Name (Printed)

EXHIBIT I

BELL ATLANTIC ANCILLARY SERVICES

1. <u>BELL ATLANTIC OSS SERVICES</u>

1.1 Definitions

As used in the Principal Document, the terms listed below shall have the meanings stated below:

- 1.1.1 "Bell Atlantic Operations Support Systems" means Bell Atlantic systems for pre-ordering, ordering, provisioning, maintenance and repair, and billing.
- 1.1.2 "Bell Atlantic OSS Services" means access to Bell Atlantic Operations Support Systems functions. The term "Bell Atlantic OSS Services" includes, but is not limited to: (a) Bell Atlantic's provision of Reseller Usage Information to Reseller pursuant to Exhibit I, Section 1.3, below; and, (b) "Bell Atlantic OSS Information", as defined in Exhibit I, Section 1.1.4, below.
- 1.1.3 "Bell Atlantic OSS Facilities" means any gateways, interfaces, databases, facilities, equipment, software, or systems, used by Bell Atlantic to provide Bell Atlantic OSS Services to Reseller.
- 1.1.4 "Bell Atlantic OSS Information" means any information accessed by, or disclosed or provided to, Reseller through or as a part of Bell Atlantic OSS Services. The term "Bell Atlantic OSS Information" includes, but is not limited to: (a) any Customer Information related to a Bell Atlantic Customer or a Reseller Customer accessed by, or disclosed or provided to, Reseller through or as a part of Bell Atlantic OSS Services; and, (b) any Reseller Usage Information (as defined in Exhibit I, Section 1.1.5, below) accessed by, or disclosed or provided to, Reseller.
- 1.1.5 "Reseller Usage Information" means the usage information for a Bell Atlantic Retail Telecommunications Service purchased by Reseller under this Agreement that Bell Atlantic would record if Bell Atlantic was furnishing such Bell Atlantic Retail Telecommunications Service to a Bell Atlantic end-user retail Customer.

1.2 Bell Atlantic OSS Services

- 1.2.1 Upon request by Reseller, Bell Atlantic shall provide to Reseller, pursuant to Section 251(c)(3) of the Act, 47 U.S.C. § 251(c)(3), Bell Atlantic OSS Services.
- 1.2.2 Subject to the requirements of Applicable Law, Bell Atlantic Operations Support Systems, Bell Atlantic Operations Support Systems functions, Bell Atlantic OSS Facilities, Bell Atlantic OSS Information, and the Bell Atlantic OSS Services that will be offered by Bell Atlantic, shall be as determined by Bell Atlantic. To the extent required by Applicable Law and technically feasible, Bell Atlantic will offer to Reseller the Bell Atlantic OSS Services that Bell Atlantic offers, under agreements approved by the Commission pursuant to 47 U.S.C. § 252, to other Telecommunications Carriers that are engaged in the resale of Bell Atlantic Retail Telecommunications Services pursuant to 47 U.S.C. § 251(c)(4). Subject to the requirements of Applicable Law, Bell Atlantic shall have the right to change Bell Atlantic Operations Support Systems, Bell Atlantic Operations Support Systems functions, Bell Atlantic OSS Facilities, Bell Atlantic OSS Information, and the Bell Atlantic OSS Services, from time-to-time, without the consent of Reseller.

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- 1.3 Reseller Usage Information
- 1.3.1 Upon request by Reseller, Bell Atlantic shall provide to Reseller, pursuant to Section 251(c)(3) of the Act, 47 U.S.C. § 251(c)(3), Reseller Usage Information.
- 1.3.2 Reseller Usage Information will be available to Reseller through the following:
 - (a) Daily Usage File on Data Tape.
 - (b) Daily Usage File through Network Data Mover ("NDM").
 - (c) Daily Usage File through Centralized Message Distribution System ("CMDS").
- 1.3.3.1 Reseller Usage Information will be provided in a Bellcore Exchange Message Records ("EMR") format.
- 1.3.3.2 Daily Usage File Data Tapes provided pursuant to Exhibit I, Section 1.3.2(a) will be issued each day, Monday through Friday, except holidays observed by Bell Atlantic.
- 1.3.4 Except as stated in this Exhibit I, Section 1.3, subject to the requirements of Applicable Law, the manner in which, and the frequency with which, Reseller Usage Information will be provided to Reseller shall be determined by Bell Atlantic.
- 1.4 Prices

The prices for Bell Atlantic OSS Services shall be as stated in Exhibit II, Section 2 following.

- 1.5 Access to and Use of Bell Atlantic OSS Facilities
- 1.5.1 Bell Atlantic OSS Facilities may be accessed and used by Reseller only to the extent necessary for Reseller's access to and use of Bell Atlantic OSS Services pursuant to this Agreement.
- 1.5.2 Bell Atlantic OSS Facilities may be accessed and used by Reseller only to provide Telecommunications Services to Reseller Customers.
- 1.5.3 Reseller shall restrict access to and use of Bell Atlantic OSS Facilities to Reseller. This Agreement does not grant to Reseller any right or license to grant sublicenses to other persons, or permission to other persons (except Reseller's employees, Agents and contractors, in accordance with Exhibit I, Section 1.5.7, below), to access or use Bell Atlantic OSS Facilities.
- 1.5.4 Reseller shall not (a) alter, modify or damage the Bell Atlantic OSS Facilities (including, but not limited to, Bell Atlantic software), (b) copy, remove, derive, reverse engineer, or decompile, software from the Bell Atlantic OSS Facilities, or (c) obtain access through Bell Atlantic OSS Facilities to Bell Atlantic databases, facilities, equipment, software, or systems, which are not offered for Reseller's use under this Agreement.
- 1.5.5 Reseller shall comply with all practices and procedures established by Bell Atlantic for access to and use of Bell Atlantic OSS Facilities (including, but not limited to, Bell Atlantic practices and procedures with regard to security and use of access and user identification codes).
- 1.5.6 All practices and procedures for access to and use of Bell Atlantic OSS Facilities, and all access and user identification codes for Bell Atlantic OSS Facilities: (a) shall remain the property of Bell Atlantic; (b) shall be used by Reseller only in connection with Reseller's use of Bell Atlantic

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OSS Facilities permitted by this Agreement; (c) shall be treated by Reseller as Confidential Information of Bell Atlantic pursuant to Section 13; and, (d) shall be destroyed or returned by Reseller to Bell Atlantic upon the earlier of request by Bell Atlantic or the expiration or termination of this Agreement.

1.5.7 Reseller's employees, Agents and contractors may access and use Bell Atlantic OSS Facilities only to the extent necessary for Reseller's access to and use of the Bell Atlantic OSS Facilities permitted by this Agreement. Any access to or use of Bell Atlantic OSS Facilities by Reseller's employees, Agents, or contractors, shall be subject to the provisions of this Agreement, including, but not limited to, Section 13, Exhibit I, Section 1.5.6, and Exhibit I, Section 1.6.3.3.

1.6 Bell Atlantic OSS Information

- 1.6.1 Subject to the provisions of this Agreement and Applicable Law, Bell Atlantic grants to Reseller a non-exclusive license to use Bell Atlantic OSS Information.
- 1.6.2 All Bell Atlantic OSS Information shall at all times remain the property of Bell Atlantic. Except as expressly stated in this Agreement, Reseller shall acquire no rights in or to any Bell Atlantic OSS Information.
- 1.6.3.1 The provisions of this Exhibit I, Section 1.6.3 apply to all Bell Atlantic OSS Information, except (a) Reseller Usage Information, (b) CPNI of Reseller, and (c) CPNI of a Bell Atlantic Customer or a Reseller Customer, to the extent the Customer has authorized Reseller to use the Customer Information.
- 1.6.3.2 Bell Atlantic OSS Information may be accessed and used by Reseller only to provide Telecommunications Services to Reseller Customers.
- 1.6.3.3 Reseller shall treat Bell Atlantic OSS Information that is designated by Bell Atlantic, through written or electronic notice (including, but not limited to, through the Bell Atlantic OSS Services), as "Confidential" or "Proprietary" as Confidential Information of Bell Atlantic pursuant to Section 13.
- 1.6.3.4 Except as expressly stated in this Agreement, this Agreement does not grant to Reseller any right or license to grant sublicenses to other persons, or permission to other persons (except Reseller's employees, Agents or contractors, in accordance with Exhibit I, Section 1.6.3.5), to access, use or disclose Bell Atlantic OSS Information.
- 1.6.3.5 Reseller's employees, Agents and contractors may access, use and disclose Bell Atlantic OSS Information only to the extent necessary for Reseller's access to, and use and disclosure of, Bell Atlantic OSS Information permitted by this Agreement. Any access to, or use or disclosure of, Bell Atlantic OSS Information by Reseller's employees, Agents or contractors, shall be subject to the provisions of this Agreement, including, but not limited to, Section 13 and Exhibit I, Section 1.6.3.3.
- 1.6.3.6 Reseller's license to use Bell Atlantic OSS Information shall expire upon the earliest of:
 (a) the time when the Bell Atlantic OSS Information is no longer needed by Reseller to provide Telecommunications Services to Reseller Customers; (b) termination of the license in accordance with this Agreement; or (c) expiration or termination of this Agreement.
- 1.6.3.7 All Bell Atlantic OSS Information received by Reseller shall be destroyed or returned by Reseller to Bell Atlantic, upon expiration, suspension or termination of the license to use such Bell Atlantic OSS Information.

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- 1.6.4 Unless sooner terminated or suspended in accordance with this Agreement (including, but not limited to, Section 17.1 and Exhibit I, Section 1.7.1), Reseller's access to Bell Atlantic OSS Information through Bell Atlantic OSS Services shall terminate upon the expiration or termination of this Agreement.
- 1.6.5.1 Without in any way limiting Section 16.3, Bell Atlantic shall have the right (but not the obligation) to audit Reseller to ascertain whether Reseller is complying with the requirements of Applicable Law and this Agreement, with regard to Reseller's access to, and use and disclosure of, Bell Atlantic OSS Information.
- 1.6.5.2 Without in any way limiting Section 16.3, Section 16.4, or Exhibit I, Section 1.6.5.1, Bell Atlantic shall have the right (but not the obligation) to monitor Reseller's access to and use of Bell Atlantic OSS Information which is made available by Bell Atlantic to Reseller pursuant to this Agreement, to ascertain whether Reseller is complying with the requirements of Applicable Law and this Agreement, with regard to Reseller's access to, and use and disclosure of, such Bell Atlantic OSS Information. The foregoing right shall include, but not be limited to, the right (but not the obligation) to electronically monitor Reseller's access to and use of Bell Atlantic OSS Information which is made available by Bell Atlantic to Reseller through Bell Atlantic OSS Facilities.
- 1.6.5.3 Information obtained by Bell Atlantic pursuant to this Exhibit I, Section 1.6.5 shall be treated by Bell Atlantic as Confidential Information of Reseller pursuant to Section 13; provided that, Bell Atlantic shall have the right (but not the obligation) to use and disclose information obtained by Bell Atlantic pursuant to this Exhibit I, Section 1.6.5 to enforce Applicable Law and/or Bell Atlantic's rights under this Agreement.
- 1.6.6 Reseller acknowledges that the Bell Atlantic OSS Information, by its nature, is updated and corrected on a continuous basis by Bell Atlantic, and therefore that Bell Atlantic OSS Information is subject to change from time to time.

1.7 Liabilities and Remedies

- 1.7.1 Any breach by Reseller, or Reseller's employees, Agents or contractors, of the provisions of Exhibit I, Section 1.5 or Exhibit I, Section 1.6, shall be deemed a material breach of a material provision of this Agreement by Reseller under Section 17.1 of this Agreement. In addition, if Reseller or an employee. Agent or contractor of Reseller at any time breaches a provision of Exhibit I, Section 1.5 or Exhibit I, Section 1.6, and such breach continues for more than ten (10) days after written notice thereof from Bell Atlantic, then, except as otherwise required by Applicable Law, Bell Atlantic shall have the right, upon notice to Reseller, to suspend the license to use Bell Atlantic OSS Information granted by Exhibit I, Section 1.6.1 and/or the provision of Bell Atlantic OSS Services, in whole or in part.
- 1.7.2 Reseller agrees that Bell Atlantic would be irreparably injured by a breach of Exhibit I, Section 1.5 or Exhibit I, Section 1.6 by Reseller or the employees, Agents or contractors of Reseller, and that Bell Atlantic shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of Exhibit I, Section 1.5 or Exhibit I, Section 1.6 by Reseller or the employees. Agents or contractors of Reseller. Such remedies shall not be deemed to be the exclusive remedies for a breach of Exhibit I. Section 1.5 or Exhibit I. Section 1.6, but shall be in addition to any other remedies available under this Agreement or at law or in equity.

1.8 Relation to Applicable Law

The provisions of Exhibit I, Sections 1.5, 1.6 and 1.7 shall be in addition to and not in derogation of any provisions of Applicable Law, including, but not limited to, 47 U.S.C. § 222, and

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1.9 Cooperation

Reseller, at Reseller's expense, shall reasonably cooperate with Bell Atlantic in using Bell Atlantic OSS Services. Such cooperation shall include, but not be limited to, the following:

- 1.9.1 Upon request by Bell Atlantic, Reseller shall by no later than the fifteenth (15th) day of each calendar month submit to Bell Atlantic reasonable, good faith estimates (by central office or other Bell Atlantic office or geographic area designated by Bell Atlantic) of the volume of each Bell Atlantic Retail Telecommunications Service for which Reseller anticipates submitting Orders in each week of the next calendar month.
- 1.9.2 Upon request by Bell Atlantic, Reseller shall submit to Bell Atlantic reasonable, good faith estimates of other types of transactions or use of Bell Atlantic OSS Services that Reseller anticipates.
- 1.9.3 Reseller shall reasonably cooperate with Bell Atlantic in submitting Orders for Bell Atlantic Retail Telecommunications Services and otherwise using the Bell Atlantic OSS Services, in order to avoid exceeding the capacity or capabilities of such Bell Atlantic OSS Services.
- 1.9.4 Reseller shall participate in cooperative testing of Bell Atlantic OSS Services and shall provide assistance to Bell Atlantic in identifying and correcting mistakes, omissions, interruptions, delays, errors, defects, faults, failures, or other deficiencies, in Bell Atlantic OSS Services.
- 1.10 Bell Atlantic Access to Information Related to Reseller Customers
- 1.10.1 Bell Atlantic shall have the right to access, use and disclose information related to Reseller Customers that is in Bell Atlantic's possession (including, but not limited to, in Bell Atlantic OSS Facilities) to the extent such access, use and/or disclosure has been authorized by the Reseller Customer in the manner required by Applicable Law.
- 1.10.2 Upon request by Bell Atlantic, Reseller shall negotiate in good faith and enter into a contract with Bell Atlantic, pursuant to which Bell Atlantic may obtain access to Reseller's operations support systems (including, systems for pre-ordering, ordering, provisioning, maintenance and repair, and billing) and information contained in such systems, to permit Bell Atlantic to obtain information related to Reseller Customers (as authorized by the applicable Reseller Customer), to permit Customers to transfer service from one Telecommunications Carrier to another, and for such other purposes as may be permitted by Applicable Law.

2. BELL ATLANTIC PRE-OSS SERVICES

- 2.1 As used in the Principal Document, "Bell Atlantic Pre-OSS Service" means a service which allows the performance of an activity which is comparable to an activity to be performed through a Bell Atlantic OSS Service and which Bell Atlantic offers to provide to Reseller prior to, or in lieu of, Bell Atlantic's provision of the Bell Atlantic OSS Service to Reseller. The term "Bell Atlantic Pre-OSS Service" includes, but is not limited to, the activity of placing Orders for Bell Atlantic Retail Telecommunications Services through a telephone facsimile ("Fax") communication.
- 2.2 Subject to the requirements of Applicable Law, the Bell Atlantic Pre-OSS Services that will be offered by Bell Atlantic shall be as determined by Bell Atlantic and Bell Atlantic shall have

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the right to change Bell Atlantic Pre-OSS Services, from time-to-time, without the consent of Reseller.

- 2.3 Subject to the requirements of Applicable Law, the prices for Bell Atlantic Pre-OSS Services shall be as determined by Bell Atlantic and shall be subject to change by Bell Atlantic from time-to-time.
- The provisions of Exhibit I, Sections 1.5 through 1.9 shall also apply to Bell Atlantic Pre-OSS Services. For the purposes of this Exhibit I, Section 2.4: (a) references in Exhibit I, Sections 1.5 through 1.9 to Bell Atlantic OSS Services shall be deemed to include Bell Atlantic Pre-OSS Services; and, (b) references in Exhibit I, Sections 1.5 through 1.9 to Bell Atlantic OSS Information shall be deemed to include information made available to Reseller through Bell Atlantic Pre-OSS Services.

3. <u>E911/911 SERVICES</u>

- 3.1 Where and to the extent that Bell Atlantic provides E911/911 call routing to a Public Safety Answering Point ("PSAP") to Bell Atlantic's own end user retail Customers, Bell Atlantic will provide to Reseller, for resold Bell Atlantic Retail Telecommunications Service dial tone lines, E911/911 call routing to the appropriate PSAP. Bell Atlantic will provide Reseller Customer information for resold Bell Atlantic Retail Telecommunications Service dial tone lines to the PSAP as that information is provided to Bell Atlantic by Reseller where and to the same extent that Bell Atlantic provides Bell Atlantic end user retail Customer information to the PSAP. Bell Atlantic will update and maintain, on the same schedule that Bell Atlantic uses with Bell Atlantic's own end user retail Customers, for Reseller Customers served by resold Bell Atlantic Retail Telecommunications Service dial tone lines, the Reseller Customer information in Bell Atlantic's E911/911 databases.
- Reseller shall provide to Bell Atlantic the name, telephone number and address, of all Reseller Customers, and such other information as may be requested by Bell Atlantic, for inclusion in E911/911 databases. Any change in Reseller Customer name, address or telephone number information (including addition or deletion of a Reseller Customer, or a change in Reseller Customer name, telephone number or address), or in other E911/911 information supplied by Reseller to Bell Atlantic, shall be reported to Bell Atlantic by Reseller within one (1) day after the change.
- 3.3 To the extent that it is necessary (whether as a requirement of Applicable Law or otherwise) for Reseller to enter into any agreements or other arrangements with governmental entities (or governmental entity contractors) related to E911/911 in order for Reseller to provide Telecommunications Services, Reseller shall at Reseller's expense enter into such agreements and arrangements.
- 4. Routing to Directory Assistance and Operator Services
- 4.1 Upon request by Reseller, to the extent technically feasible, Bell Atlantic will provide to Reseller the capability of rerouting to Reseller's platforms directory assistance traffic (411 and 555-1212 calls) from Reseller Customers served by resold Bell Atlantic Retail Telecommunications Service dial tone line service and operator services traffic (O+ and 0-intraLATA calls) from Reseller Customers served by resold Bell Atlantic Retail Telecommunications Service dial tone line service.
- A request for the rerouting service described in Exhibit I, Section 4.1 must be made by Reseller (a) on a Bell Atlantic switch-by-Bell Atlantic switch basis, and (b) at least ninety (90) days in advance of the date that the rerouting capability is to be made available in an applicable Bell Atlantic switch.

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4.3 The prices for the rerouting service described in Exhibit I, Section 4.1 shall be as stated in Exhibit II, Section 2.

5. LIDB/BVS

- 5.1 Upon request by Reseller, Bell Atlantic will maintain information (including calling card numbers and collect and bill to third party billing restriction notation) for Reseller Customers who subscribe to resold Bell Atlantic Retail Telecommunications Service dial tone line service, in Bell Atlantic's Line Information Database ("LIDB"), where and to the same extent that Bell Atlantic maintains information in Bell Atlantic's LIDB for Bell Atlantic's own end-user retail Customers.
- If an end-user terminates Bell Atlantic Retail Telecommunications Service dial tone line service provided to the end-user by Bell Atlantic and, in place thereof, subscribes to Reseller for resold Bell Atlantic Retail Telecommunications Service dial tone line service, Bell Atlantic will remove from Bell Atlantic's LIDB any Bell Atlantic-assigned telephone line calling card number (including area code) ("TLN") and Personal Identification Number ("PIN") associated with the terminated Bell Atlantic Retail Telecommunications Service dial tone line service. The Bell Atlantic-assigned TLN and PIN will be removed from Bell Atlantic's LIDB within twenty-four (24) hours after Bell Atlantic terminates the Bell Atlantic Retail Telecommunications Service dial tone line service with which the number was associated. Reseller may issue a new telephone calling card to such end-user, utilizing the same TLN, and the same or a different PIN. Upon request by Reseller, Bell Atlantic will enter such TLN and PIN in Bell Atlantic's LIDB for calling card validation purposes.
- Reseller information which is stored in Bell Atlantic's LIDB will be subject, to the same extent as Bell Atlantic information stored in Bell Atlantic's LIDB, to access and use by, and disclosure to, those persons (including, but not limited to, Bell Atlantic) to whom Bell Atlantic allows access to information which is stored in Bell Atlantic's LIDB. Reseller hereby grants to Bell Atlantic and the persons to whom Bell Atlantic allows access to information which is stored in Bell Atlantic's LIDB, a royalty free license for such access, use and disclosure.
- Reseller shall obtain contractual agreements with each of the persons authorized to have access to Bell Atlantic's LIDB, under which Reseller will bill Reseller Customers for calling card, third party, collect and other calls validated by such persons through Bell Atlantic's LIDB.
- Reseller warrants that the information provided by Reseller for inclusion in Bell Atlantic's LIDB will at all times be current, accurate and appropriate for use for billing validation services.
- Upon request by Reseller, Bell Atlantic will provide to Reseller Bell Atlantic Billing Validation Service, in accordance with Bell Atlantic's Tariffs, for use by Reseller in connection with Bell Atlantic Retail Telecommunications Services purchased and provided by Reseller pursuant to this Agreement.
- 5.7 Information in Bell Atlantic's LIDB provided to Reseller shall be treated by Reseller as Confidential Information of Bell Atlantic pursuant to Section 13.
- 5.8 The prices for the services described in this Exhibit I, Section 5 shall be as stated in Exhibit II, Section 2.

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EXHIBIT II

PRICES FOR BELL ATLANTIC SERVICES

1. BELL ATLANTIC RETAIL TELECOMMUNICATIONS SERVICES

1.1 Prices

The prices for Bell Atlantic Retail Telecommunications Services shall be the Retail Prices stated in Bell Atlantic's Tariffs for such Bell Atlantic Retail Telecommunications Services, less: (a) the applicable discount stated in Bell Atlantic's Tariffs for Bell Atlantic Retail Telecommunications Services purchased for resale pursuant to 47 U.S.C. § 251(c)(4); or, (b) in the absence of an applicable Bell Atlantic Tariff discount for Bell Atlantic Retail Telecommunications Services purchased for resale pursuant to 47 U.S.C. § 251(c)(4), the applicable discount stated in Exhibit II, Attachment 1.

1.2 Inapplicability of Discounts

The discounts provided for in Exhibit II, Section 1.1, shall not be applied to:

- 1.2.1 Retail Prices that are in effect for no more than ninety (90) days;
- 1.2.2 Charges for services and products provided by Bell Atlantic that are not Bell Atlantic Retail Telecommunications Services, including, but not limited to, Bell Atlantic Ancillary Services, and exchange access services as defined in Section 3(16) of the Act, 47 U.S.C. § 153(16);
- 1.2.3 Subscriber Line Charges, Federal Line Cost Charges, end user common line charges, carrier selection and charge charges, and Audiotex Service charges; and.
- 1.2.4 Any service or charge which the Commission, the FCC, or other governmental entity of appropriate jurisdiction, determines is not subject to a wholesale rate discount under 47 U.S.C. § 251(c)(4).

1.3 Discount Changes

- 1.3.1 Bell Atlantic shall change the discounts provided for in Exhibit II, Section 1.1, above, from time-to-time, to the extent such change is required by Applicable Law, including, but not limited to, by regulation or order of the Commission, the FCC, or other governmental entity of appropriate jurisdiction.
- 1.3.2 Bell Atlantic shall have the right to change the discounts provided for in Exhibit II, Section 1.1, above, from time-to-time, to the extent such change is required, approved or permitted by Applicable Law, including, but not limited to, by regulation or order of the Commission, the FCC, or other governmental entity of appropriate jurisdiction.
- 1.4 Offers of Merchandise and Services which are not Bell Atlantic Retail Telecommunications Services

Reseller shall not be eligible to participate in any Bell Atlantic plan or program under which Bell Atlantic end user retail Customers may obtain products or merchandise, or services which are not Bell Atlantic Retail Telecommunications Services, in return for trying, agreeing to purchase, purchasing, or using, Bell Atlantic Retail Telecommunications Services.

2. BELL ATLANTIC ANCILLARY SERVICES

2.1 Prices

BA-PA/CTC Communications August 17, 1998 33 ctcpa.doc Model: ag0522 (Revised as of 09/15/97)

- 2.1.1 The prices for Bell Atlantic Ancillary Services shall be as stated: (a) in Bell Atlantic's Tariffs; or, (b) in the absence of an applicable Bell Atlantic Tariff price, in Exhibit II, Attachment 1.
- 2.1.2 If Bell Atlantic at any time offers a Bell Atlantic Ancillary Service the prices for which are not stated in Bell Atlantic's Tariffs or Exhibit II, Attachment 1, Bell Atlantic shall have the right to revise Exhibit II, Attachment 1, to add the prices to Exhibit II, Attachment 1.

2.2 <u>Price Changes</u>

- 2.2.1 Bell Atlantic shall change the prices for Bell Atlantic Ancillary Services, from time-to-time, to the extent such change is required by Applicable Law, including, but not limited to, by regulation or order of the Commission, the FCC, or other governmental entity of appropriate jurisdiction.
- 2.2.2 Bell Atlantic shall have the right to change the prices for Bell Atlantic Ancillary Services, from time-to-time, to the extent such change is required, approved or permitted by Applicable Law, including, but not limited to, by regulation or order of the Commission, the FCC, or other governmental entity of appropriate jurisdiction.
- 2.2.3 Except as otherwise required by Applicable Law, Bell Atlantic shall give Reseller thirty (30) days advance written notice of any increase in the prices stated in Exhibit II, Attachment 1 for Bell Atlantic Ancillary Services.

BELL ATLANTIC - PENNSYLVANIA, INC.

DETAILED SCHEDULE OF ITEMIZED CHARGES¹

I. Wholesale Discount for Resale of Bell Atlantic Retail Telecommunications Services

Resale of Bell Atlantic Retail Telecommunications Services if RESELLER

Resale of Bell Atlantic Retail

Telecommunications Services if RESELLER uses Bell Atlantic Operator Services.

provides its own Operator Services.

20.69% or discount rate as established by

18.43% or discount rate as established by Commission Order.

Commission Order.

Pennsylvania Gross Receipts Tax

Discount as per Bell Atlantic--Pennsylvania Tariff

Pa. P.U.C.-No. 1, § 1, ¶ 8.1

The rates set forth in Sections II through IV of this Exhibit II, Attachment 1, are in addition to, and not in lieu of, any other rates set forth in this Agreement.

In addition to charges for Bell Atlantic Services, Reseller shall pay, or collect and remit, applicable taxes and surcharges (including, but not limited to, E911/911, telecommunications relay service, and universal service fund, surcharges), as required by Applicable Law and this Agreement.

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All rates and charges set forth in this Exhibit II, Attachment 1 are subject to change from time-to-time as provided in this Agreement, including, but not limited to, in Section 2.3 and Exhibit II of this Agreement. The rates and charges set forth in this Exhibit II, Attachment 1 shall apply until such time as they are replaced by new rates as may be approved or allowed into effect by the Commission from time to time, subject to a stay or other order issued by any court of competent jurisdiction. At such time(s) as such new rates have been approved or allowed into effect by the Commission, the Parties shall amend this Exhibit II, Attachment 1 to reflect the new approved rates.

Except for citations to generally available services and rates offered under Bell Atlantic's Tariffs, all services and rates listed in this Exhibit II, Attachment 1 are available to Customer only in connection with the purchase and resale of Bell Atlantic Retail Telecommunications Services by Customer under this Agreement. Adherence to this limitation shall be subject to reasonable audit by Bell Atlantic.

II. Access to Operation Support Systems A. Pre-Ordering \$.22/Query Not Applicable **B.** Ordering \$3.34/Transaction Not Applicable C. Provisionina Included in Ordering Not Applicable D. Maintenance & Repair 1. ECG Access \$.22/Query Not Applicable Not Applicable 2. EB/OSI Access \$1.16/Trouble Ticket E. Billing 1. CD-ROM \$246.59/CD-ROM Not Applicable 2. Daily Usage File a. Existing Message Recording \$.000258/Message Not Applicable b. Delivery of DUF Data Tape \$61.39/Programming \$17.18/Tape Hour \$.000094/Message **Network Data Mover** Not Applicable **CMDS** \$.000094/Message \$61.39/Programming Hour c. DUF Transport 9.6 kb Communications Port \$10.24/Month \$7,437.36/Port 56 kb Communications Port \$28.29/Month \$30,778.91/Port 256 kb Communications Port \$28.29/Month \$51,236.88/Port T1 Communications Port \$359.31/Month \$182,827.99/Port Line Installation Not Applicable \$61.39/Programming Hour/Port Port Set-up \$9.85/Port Not Applicable **Network Control Programming** Not Applicable \$61.39/Programming

Hour/Port

Coding

III. Directory Assistance/Operator Services Routing

To RESELLER Platform \$.142360/Line/Month \$3.84/Line
To BA Platform for Re-Branding \$.083300/Call \$3.84/Line

IV. LIDB Interconnection/Billing Validation Service

LIDB Point Codes

Calling Card

\$.015542/Query

Not Applicable

Not Applicable

Not Applicable

Not Applicable

Not Applicable

Storage of [CLEC]'s Data in LIDB Database

Not Applicable

\$1,469.92 Service Establishment

Appendix 1, Attachment 16

Product and Services Eligible for VTD discount Pennsylvania

Access Lines			
Dial Tone Line	DTL	DTLBX	
Message	BWL	1MB	B1M
Direct Inward Dial Trunks	NDT	NDN	ND4
PBX Trunks Message	BWT	TV1++	TKG
PBX Digital trunks	D7Z	D7W	
Intra-LATA Toll	•		
#Must be associated with a resold VTD Qualified Business	s Line		
Message Rate Service	N/A		
MTS, including Key Connections & Rewarding Connections	VWDK1	WRV	
Optional Calling Plan but excluding all other OCPs	OVSXX	OVS3X	
Features	•	•	
#Must be associated with a resold VTD Qualified Business	s Line		
Touch Tone	TTV	TJB	
IQ Services:	•		
#Must be associated with a resold VTD Qualified Business	s Line		
Call Forwarding	ESM		
Call Waiting	ESX		
Call Waiting ID	NWT		
Speed Dialing 8	ESL		
Speed Dialing 30	ESF		
3 Way Calling (per Use or Monthly)	ESC		
*69 (per Use or Monthly)	NSS		
Call Trace (Per Use Charge)			
Caller ID	NSD		
Caller ID with Name	NDF		
Per Call Blocking (Per Use Charge)			
Repeat Dialing	NSQ		
Ultra Forward	FRM		
Distinctive Ring	DRQ+X		
Priority Call	NSK		
Select Forward	NCE		
Call Block	NSY		
Call Gate	OC4		
Anonymous Call Rejection - w/ Caller ID	AWY		
Line Blocking	NG5		

AMENDMENT TO RESALE AGREEMENTS

This Amendment to Resale Agreements (this "Amendment"), dated as of this 1st day of July, 1999 (the "Effective Date"), between New York Telephone Company, d/b/a Bell Atlantic – Connecticut and Bell Atlantic - New York, respectively, New England Telephone and Telegraph Company, d/b/a Bell Atlantic – Maine, Bell Atlantic – Massachusetts, Bell Atlantic - New Hampshire, Bell Atlantic – Rhode Island and Bell Atlantic – Vermont, respectively, Bell Atlantic - Delaware, Inc., Bell Atlantic - Maryland, Inc., Bell Atlantic - New Jersey, Inc., Bell-Atlantic - Pennsylvania, Inc. and Bell Atlantic - Virginia, Inc. (individually and, collectively, as applicable, "BA"), on the one hand, and CTC Communications ("CTC"), on the other hand (BA and CTC individually being referred to as a "Party" and, collectively, as the "Parties").

WHEREAS, BA and CTC are parties to nine (9) Resale Agreements, for the States of Delaware, Maryland, New Jersey, Pennsylvania, Virginia, Vermont, Maine, New Hampshire and Rhode Island, respectively (the foregoing nine (9) agreements being referred to as the "Resale Agreements"), and CTC purchases services from BA for resale in the State of New York under BA's New York resale tariff and in the Commonwealth of Massachusetts under BA's Massachusetts resale tariff, and CTC plans to purchase services from BA for resale in the State of Connecticut under BA's Connecticut resale tariff;

WHEREAS, CTC wishes to obtain the Volume and Term Discount, the Winback Discount and the IntraLATA Toll Discount, as applicable, referred to herein on certain Eligible Services described herein that it purchases from BA under the Resale Agreements and/or applicable BA resale tariffs, which Eligible Services CTC resells in respect of certain of the Qualified Business Lines (as hereinafter defined), and BA is willing to provide such additional discounts to CTC, subject to the express terms and conditions set forth herein;

WHEREAS, entry by BA into this Amendment is a voluntary act, not required by and, in excess of the prescriptions under, the Telecommunications Act of 1996 (the "TelAct") or any other applicable law;

WHEREAS, while BA is entering into this Amendment to increase the volume of resale business it conducts with resellers, because, among other things, the arrangements set forth in this Amendment are new and untested in the marketplace, BA is willing to enter into such arrangements with CTC and other resellers for only a limited time period and under certain conditions (including, without limitation, as set forth in the next WHEREAS clause), after which BA will examine the effects of the foregoing arrangements on its business and, at its sole option, determine whether to continue this program in the future;

WHEREAS, BA is willing to enter into amendments such as this Amendment (and to enter into modifications of the terms of such amendments, at BA's sole option, in the future), and to provide the foregoing additional discounts, only with a single reseller or with multiple resellers that are commonly wholly owned and controlled (directly or indirectly) by the same parent company, which itself must become a party to this Amendment) that, not later than November 30, 1999, enter into (and submit their first order under) an amendment to resale agreements, a separate agreement incorporating by reference the terms of applicable BA resale tariffs for a particular reseller or an agreement that does both (on terms satisfactory to BA that are substantially identical to the terms hereof), and BA is not willing and is not required under the TelAct or other applicable law to provide any such additional discounts pursuant to negotiations under Section 251 of the TelAct (or any successor provision thereto)(although BA expresses no opinion as to whether and, how, another reseller may adopt, under Section 252(i) of the TelAct, the terms of the Resale Agreements as amended hereby).

NOW THEREFORE, in consideration of the mutual agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, BA and CTC hereby agree as follows:

- 1. Amendments to Resale Agreements. Subject to the terms and conditions set forth herein, the Parties hereby amend each of the Resale Agreements and enter into a separate agreement incorporating by reference the terms of BA's applicable resale Tariffs for the State of New York, the Commonwealth of Massachusetts (and any other States within BA's local service area, as of the date hereof, in which BA has a resale Tariff, from time to time, under which CTC purchases services from BA), as amended from time to time, with respect only to CTC, as follows:
- (a) <u>Term of Resale Agreements</u>. The stated term of each Resale Agreement is hereby amended and restated so that each Resale Agreement, unless terminated earlier in accordance with the terms thereof, shall expire five (5) years from the date hereof, which date is June 30, 2004. Such five (5) year period commencing on the date hereof is referred to as the "Service Term". Notwithstanding the foregoing, the right, if any, of a Party under any Resale Agreement to terminate such Resale Agreement, other than due to a breach thereof or at the end of the term thereof (as amended hereby), in each case in accordance with the terms thereof, is hereby extinguished and shall be of no effect.
- (b) Annual Volume Commitment. (i) Subject to the terms and conditions set forth herein, CTC hereby agrees to purchase from BA, under the Resale Agreements and/or applicable BA resale tariffs, for resale by CTC, an aggregate number of business customer local exchange access lines, each of which lines is designated with one of the USOC codes set forth in Appendix 1 hereto (each a "Qualified Business Line" and, collectively, the "Qualified Business Lines") for each year of the Service Term (such minimum amount being the "Annual Volume Commitment") in accordance with the following schedule:

Year 1: at least 100,000 Qualified Business Lines; and

Years 2-5: at least 225,000 Qualified Business Lines each year;

provided, however, that a line shall not be counted as a Qualified Business Line (and thus shall not be counted for purposes of the Annual Volume Commitment Determination set forth below, and shall not receive the Volume and Term Discount, the Winback Discount or the IntraLATA Toll Discount described below) if such line (A) has been assigned by a third party customer of BA to CTC or any other reseller; provided further that a line type set forth in Appendix 1 hereto and assigned by a third party customer of BA to CTC, where the ordering and administration of such assignment is handled by the BA TISOC, shall be counted as a Qualified Business Line (and thus shall be counted for purposes of the Annual Volume Commitment Determination set forth below) but shall not receive the Volume and Term Discount, the Winback Discount or the IntraLATA Toll Discount described below or (B) is being purchased from BA under non-tariff based pricing (as determined by BA) including, without limitation, ICB pricing or custom pricing; provided further that a tariffed non-ICB Centrex® line (e.g., a CustoFlex® 2100, CustoPak®, Centrex Plus®, Intellipath® or Intellipath II® line) shall be counted as a Qualified Business Line (and thus shall be counted for purposes of the Annual Volume Commitment Determination set forth below) but shall not receive the Volume and Term Discount, the Winback Discount or the IntraLATA Toll Discount described below; provided further, that for purposes of this Amendment, Qualified Business Lines are defined in terms of DS0 equivalents and, by way of example, one FlexPath® line purchased by CTC from BA under a Resale Agreement or applicable BA resale Tariff for resale would equal twenty-four (24) Qualified Business Lines.

- (ii) The Annual Volume Commitment may be purchased by CTC from BA under a single effective Resale Agreement or applicable BA resale tariff, or under multiple, effective Resale Agreements and/or applicable BA resale tariffs (at CTC's sole option), and the number of Qualified Business Lines purchased by CTC under each of the Resale Agreements and the applicable BA resale tariffs for resale shall be considered in the aggregate to ascertain the Annual Volume Commitment Determination hereunder; provided, however, that unless BA, in its sole discretion, determines otherwise, a line shall not be counted as a Qualified Business Line (and thus shall not be counted for purposes of the Annual Volume Commitment Determination set forth below, and shall not receive the Volume and Term Discount, the Winback Discount or the IntraLATA Toll Discount described below) if it is not included within BA's local service area as of the date hereof.
- (iii) For the avoidance of any doubt, CTC's purchase of Qualified Business Lines and Eligible Services pursuant to this Amendment is for the sole purpose of resale thereof and, as such, CTC may not utilize any Qualified Business Line, Eligible Service or portion thereof for its own use or that of its parent, subsidiaries or affiliates and, in addition, CTC may not utilize any Eligible Service or portion thereof except in connection with purchase of a Qualified Business Line hereunder (i.e., CTC may not purchase telecommunications services from BA on a stand alone basis).
- (c) <u>BA IntraLATA Toll Service</u>. CTC hereby agrees, at all times during the Service Term, to have not less than eighty percent (80%) of the Qualified Business Lines purchased by CTC from BA presubscribed to BA's IntraLATA Toll service. CTC further agrees, during each year of the Service Term, to purchase from BA, on a resold

basis under the Resale Agreements and/or applicable BA resale tariffs, with respect to such Qualified Business Lines, an aggregate total number of minutes of use of BA's IntraLATA Toll service of not less than the respective amounts set forth in Section 1(h)(viii) hereof.

- (d) Annual Volume Commitment Determination. On an annual basis beginning at the end of the first year of the Service Term, BA shall determine the number of Qualified Business Lines purchased by CTC from BA during the immediately preceding year. Such number shall be referred to herein as the "Annual Volume Commitment Determination" and shall equal, with respect to the determinations made following each of the first two (2) years of the Service Term, the average of the Qualified Business Lines that CTC purchased from BA hereunder that are actually in service on the last day of each of the last three (3) consecutive months of the year in question. With regard to subsequent years, the respective Annual Volume Commitment Determinations shall be calculated as follows: the number of Qualified Business Lines purchased by CTC from BA hereunder that are actually in service on the last day of each respective calendar quarter of the year in question shall be added together, and the resulting sum shall be divided by four (4).
- (e) Annual Volume Commitment Measurement. On an annual basis beginning at the end of the first year of the Service Term, BA shall compare CTC's actual annual attainment of Qualified Business Lines as determined in accordance with Section 1(d) hereof to the defined target volumes in Table 1 below. Such comparison shall be referred to herein as the "Annual Volume Commitment Measurement". As further set forth in Section 1(f) hereof, the Annual Volume Commitment Measurement shall confirm the appropriate level of the Volume and Term Discount for the year just completed and determine the applicable Volume and Term Discount for the following year.

VOLUME & TERM MATRIX

V & T Tier	EOY 1	EOY 2	EOY 3	EOY 4	EOY 5
Tier 1 _A	≥90k to 100K QBLs	≥203K to 225K QBLs	≥225K QBLs	≥225K QBLs	≥225K QBLs
Tier 1 _B	≥95k to 100K QBLs	≥214K to 225K QBLs	N/A	N/A	N/A
Tier 2	60K to Tier 1	150K to Tier 1	150K to Tier 1	150K to Tier 1	150K to Tier 1
Tier 3	N/A	100K to Tier 2	100K to Tier 2	100K to Tier 2	100K to Tier 2
Tier 4	<60K	<100K	<100K	<100K	<100K
	Terminate	Terminate	Terminate	Terminate	Terminate
	Contract	Contract	Contract	Contract	Contract

Table 1

The Tier 1 target volumes for each of the first two (2) years of the Service Term shall be set at two (2) separate ranges, Tier 1_A and Tier 1_B . During this period of the Service

Term when the Annual Volume Commitment Determination falls within Tier 1, the actual Tier 1 range (i.e., Tier 1_A or Tier 1_B) used for the Annual Volume Commitment Measurement_will be based on CTC's attainment of the Annual Volume Commitment set forth in Section 1(b) hereof. Specifically, if CTC's Qualified Business Line volume, as counted on the last day of the last month of the year in question, is greater than or equal to the Annual Volume Commitment set forth in Section 1(b) hereof for the same year, then Tier 1_A will be used for the Annual Volume Commitment Measurement. If CTC's Qualified Business Line volume, as counted on the last day of the last month of the year in question, is less than the Annual Volume Commitment set forth in Section 1(b) hereof for the same year, then Tier 1_B will be used for the Annual Volume Commitment Measurement.

- (f) <u>Minimum Purchase</u>. (i) Subject to the terms of this Amendment, for each year of the Service Term, CTC shall purchase a minimum quantity of Qualified Business Lines not less than the applicable Annual Volume Commitment, as calculated using the Annual Volume Commitment Determination.
- If the Annual Volume Commitment Determination following the first (ii) year of the Service Term does not yield a number of Qualified Business Lines equal to at least 60,000, BA may, at its option, terminate this Amendment. In case of such termination, CTC shall, within thirty (30) days of receipt of written demand therefor, pay to BA in immediately available funds (in addition to any other amounts owed to BA under the Resale Agreements and/or applicable BA resale tariffs), an amount equal to (A) all of the discounts under this Amendment that CTC received from the point of termination back to the Effective Date of this Amendment, plus (B) interest on such discounts dating back to the date received from BA calculated using an interest rate equal to the greater of (1) the "Prime" interest rate as set forth in The Wall Street Journal from time to time and (2) the interest rate that CTC demonstrates to BA's reasonable satisfaction that it has obtained (or can demonstrate to BA's reasonable satisfaction that it could obtain) from a commercial lender for loan amounts equal to not less than the entire amount to be paid to BA under the applicable subsection (e.g., subsection 1(f)(ii) or 1(g)(i), etc.) of this Amendment with a maturity of not less than one (1) year (the foregoing being the "Applicable Interest Rate"), plus (C) any applicable taxes relating thereto, plus (D) a handling fee equal to five percent (5%) of the amount of the discounts under this Amendment that CTC received.
- (iii) If the Annual Volume Commitment Determination following the second year of the Service Term does not yield a number of Qualified Business Lines equal to at least 100,000, BA may, at its option, terminate this Amendment. In case of such termination, CTC shall, within thirty (30) days of receipt of written demand therefor, pay to BA in immediately available funds (in addition to any other amounts owed to BA under the Resale Agreements and/or applicable BA resale tariffs), an amount equal to (A) all of the discounts under this Amendment that CTC received from the point of termination back to the Effective Date of this Amendment, plus (B) interest on such discounts dating back to the date received from BA calculated using the Applicable Interest Rate, plus (C) any applicable taxes relating thereto, plus (D) a handling fee equal to five percent (5%) of the amount of the discounts under this Amendment that CTC received.

- (iv) If the Annual Volume Commitment Determination following the third year of the Service Term does not yield a number of Qualified Business Lines equal to at least 100,000, BA may, at its option, terminate this Amendment. In case of such termination, CTC shall, within thirty (30) days of receipt of written demand therefor, pay to BA in immediately available funds (in addition to any other amounts owed to BA under the Resale Agreements and/or applicable BA resale tariffs), an amount equal to (A) all of the discounts under this Amendment that CTC received from the point of termination back to the Effective Date of this Amendment, plus (B) interest on such discounts dating back to the date received from BA calculated using the Applicable Interest Rate, plus (C) any applicable taxes relating thereto, plus (D) a handling fee equal to five percent (5%) of the amount of the discounts under this Amendment that CTC received.
- (v) If the Annual Volume Commitment Determination following the fourth year of the Service Term does not yield a number of Qualified Business Lines equal to at least 100,000, BA may, at its option, terminate this Amendment. In case of such termination, CTC shall, within thirty (30) days of receipt of written demand therefor, pay to BA in immediately available funds (in addition to any other amounts owed to BA under the Resale Agreements and/or applicable BA resale tariffs), an amount equal to (A) all of the discounts under this Amendment that CTC received during the year in question, plus (B) interest on such discounts dating back to the date received from BA calculated using the Applicable Interest Rate, plus (C) any applicable taxes relating thereto, plus (D) a handling fee equal to five percent (5%) of the amount of the discounts under this Amendment that CTC received during the year in question.
- (vi) BA will monitor CTC's monthly volumes of Qualified Business Lines during the fifth year of the Service Term to ensure compliance with minimum commitment requirements, i.e., ≥100,000 Qualified Business Lines. If CTC's volumes should fall below 100,000 as of the last day of any month, then BA may, at its option, terminate this Amendment. In case of such termination, CTC shall, within thirty (30) days of receipt of written demand therefor, pay to BA in immediately available funds (in addition to any other amounts owed to BA under the Resale Agreements and/or applicable BA resale tariffs), an amount equal to (A) all of the discounts under this Amendment that CTC received during the year in question, plus (B) interest on such discounts dating back to the date received from BA calculated using the Applicable Interest Rate, plus (C) any applicable taxes relating thereto, plus (D) a handling fee equal to five percent (5%) of the amount of the discounts under this Amendment that CTC received during the year in question.
- (g) <u>Termination Charge</u>. (i) In each case during the first three (3) years of the Service Term, if CTC terminates any of the Resale Agreements or this Amendment, or if BA in its discretion terminates any of the Resale Agreements or this Amendment due to breach, or if CTC ceases to be a certified reseller (and does not restore its certification within forty-five (45) days of the loss or expiration of certification) in each State in which it has a Resale Agreement with BA or purchases services from BA under an applicable BA resale tariff, CTC shall, within thirty (30) days of receipt of written demand therefor, pay to BA in immediately available funds (in addition to any other amounts owed to BA under the Resale Agreements and/or applicable BA resale

tariffs), an amount equal to (A) all of the discounts under this Amendment that CTC received from the point of termination back to the Effective Date of this Amendment (less the amounts, if any, previously refunded by CTC to BA under this Amendment), plus (B) interest on such discounts dating back to the date received from BA calculated using the Applicable Interest Rate, plus (C) any applicable taxes relating thereto, plus (D) a handling fee equal to five percent (5%) of the amount of the discounts under this Amendment that CTC received.

- (ii) In each case during the fourth and fifth years of the Service Term, if CTC terminates any of the Resale Agreements or this Amendment, or if BA in its discretion terminates any of the Resale Agreements or this Amendment due to breach, or if CTC ceases to be a certified reseller (and does not restore its certification within forty-five (45) days of the loss or expiration of certification) in each State in which it has a Resale Agreement with BA or purchases services from BA under an applicable BA resale tariff, CTC shall, within thirty (30) days of receipt of written demand therefor, pay to BA in immediately available funds (in addition to any other amounts owed to BA under the Resale Agreements and/or applicable BA resale tariffs), an amount equal to (A) all of the discounts under this Amendment that CTC received during the number of months or portions thereof in the year of the Service Term in which termination or loss of certification occurs, plus (B) interest on such discounts dating back to the date received from BA calculated using the Applicable Interest Rate, plus (C) any applicable taxes relating thereto, plus (D) a handling fee equal to five percent (5%) of the amount of the discounts under this Amendment that CTC received during the year in question.
- Additional Discounts. (i) Subject to CTC having met each of the (h) conditions set forth in Section 2 of this Amendment, and subject also to the other conditions set forth in this Amendment, CTC shall receive, on each of the Qualified Business Lines being purchased from BA and resold hereunder as part of the Annual Volume Commitment, during the Service Term only, an additional (A) seven percent (7%) to twelve percent (12%) discount, as applicable (the "Volume and Term Discount), in accordance with the schedule set forth in Table 2 following, (B) an additional ten percent (10%) discount (the "Winback Discount") to the extent applicable under subsection (h)(ii) below and (C) an additional three percent (3%) discount (the "IntraLATA Toll Discount"), to the extent applicable under subsection (h)(viii) below, in each case on certain services, as set forth on Appendix 1 hereto (each an "Eligible Service" and, collectively, the "Eligible Services"), that CTC purchases under any of the Resale Agreements and/or applicable BA resale tariffs; provided, however, such Volume and Term Discount, Winback Discount and IntraLATA Toll Discount, at BA's sole option, shall not apply to Qualified Business Lines in any month in excess of 500,000 purchased by CTC from BA for resale; and provided further, that such Volume and Term Discount, Winback Discount and IntraLATA Toll Discount shall not apply to Centrex® lines (even with respect to such lines that constitute Qualified Business Lines hereunder) purchased by CTC from BA for resale.

VOLUME and TERM DISCOUNT SCHEDULE

V & T Tier	EOY 1	EOY 2	EOY 3	EOY 4	EOY 5
Tier 1 _A	≥90k to 100K	≥203K to 225K	≥225K QBLs	≥225K QBLs	≥225K QBLs
	QBLs	QBLs	12%	12%	12%
	10%	12%			
Tier 1 _B	≥95k to 100K	≥214K to 225K			
	QBLs	QBLs	N/A	N/A	N/A
	10%	12%			
Tier 2	60K to Tier 1	150K to Tier 1			
	7%	10%	10%	10%	10%
Tier 3	N/A	100K to Tier 2			
		7%	7%	7%	7%
Tier 4	<60K	<100K	<100K	<100K	<100K
	Terminate	Terminate	Terminate	Terminate	Terminate
	Contract	Contract	Contract	Contract	Contract

Table 2

The Volume and Term Discount, Winback Discount and IntraLATA Toll Discount on BA's applicable retail prices for the foregoing services is exclusive of and, in addition to, the respective wholesale discounts to which CTC may be entitled under the Resale Agreements or applicable BA resale tariffs, as amended from time to time, prior to giving effect to this Amendment (the "Existing Wholesale Discounts"); provided. however, that to the extent CTC obtains such Eligible Services without also purchasing BA's operator services and directory assistance, the amount of the Volume and Term Discount, Winback Discount and IntraLATA Toll Discount shall be reduced, as necessary, to give effect to an Existing Wholesale Discount based upon purchase by CTC of BA's operator services and directory assistance. Any services with respect to a Qualified Business Line that CTC purchases from BA under a Resale Agreement or applicable BA resale tariff, but which are not Eligible Services, or which are Eligible Services but are purchased by CTC pursuant to a BA promotional discount (given at the retail and/or the wholesale level) or pursuant to or in connection with a volume, term or other discount under an applicable BA tariff or contractual arrangement (regardless of the parties thereto) other than the Resale Agreements, shall not qualify for the Volume and Term Discount, Winback Discount or IntraLATA Toll Discount and no such Volume and Term Discount, Winback Discount or IntraLATA Toll Discount shall be applied thereto. With the exception of the Business Link, Key Connections, and Rewarding Connections Optional Calling Plans, neither the IntraLATA Toll Discount nor the Volume and Term Discount shall apply to services (whether or not Eligible Services) purchased under an optional calling plan, although minutes of use purchased by CTC from BA under an IntraLATA Toll optional calling plan shall be counted for purposes of calculations to determine whether CTC met the applicable MOU Target, as defined and, further set forth in, subsection (viii) below.

(ii) Upon receipt by BA of written notice from CTC, in which CTC represents and warrants that a Qualified Business Line (excluding Centrex® lines that are Qualified Business Lines) was not on the BA network (other than with respect to purchase of number portability services from BA) for at least the immediately preceding ninety (90) day period, but is now being converted to the BA network from a carrier

other than CTC that is not an affiliate of CTC, BA shall provide to CTC (unless BA reasonably believes, in its sole discretion, that CTC is materially inaccurate with respect to the foregoing notice including, without limitation, due to such inaccuracy in CTC's previous notices) an additional Winback Discount on its purchase of Eligible Services in respect of such line (effective from the date of conversion to the BA network), so long as such line remains on the BA network (and the entity from which the conversion to the BA network was made remains a non-affiliate of CTC), provided that the Winback Discount shall not apply beyond the twelve (12) month period immediately after the date of such conversion. For purposes of the foregoing, being on "the BA network" shall be determined by BA in its sole reasonable discretion including, without limitation, with reference to the end user customer's telephone number (as opposed to the end user customer's name). Upon receipt of a request from BA, CTC shall provide to BA a copy of documentation reasonably requested by BA to support CTC's claim that a line is eligible for the Winback Discount. Such documentation may include, but is not limited to, the following: (A) orders or similar documentation for number portability from a CLEC network to the BA network for the affected line; (B) orders or similar documentation demonstrating that any lines being converted from a CLEC network to the BA network on a disconnect/new connect basis (in lieu of number portability) are one in the same; and (C) other documentation as reasonably requested by BA from time to time. In addition to any other audit rights BA may have under the Resale Agreements and/or applicable BA tariffs, BA shall have the right (but not the obligation) to audit CTC to ascertain whether CTC is complying with the foregoing requirements with respect to eligibility for the Winback Discount.

- (iii) Subject to repayment under the terms of this Amendment, during the first year of the Service Term the Volume and Term Discount shall equal ten percent (10%) if the Annual Volume Commitment Measurement reflects Tier 1 volume attainment or seven percent (7%) if the Annual Volume Commitment Measurement reflects Tier 2 volume attainment.
- (iv) Subject to repayment under the terms of this Amendment, during the second through fifth years of the Service Term the Volume and Term Discount shall equal twelve percent (12%) if the Annual Volume Commitment Measurement reflects Tier 1 volume attainment or ten percent (10%) if the Annual Volume Commitment Measurement reflects Tier 2 volume attainment or seven percent (7%) if the Annual Volume Commitment Measurement reflects Tier 3 volume attainment.
- (v) As set forth in subsection (iii) above, upon the Effective Date of this Amendment, CTC will receive a ten percent (10%) Volume and Term Discount on the assumption that CTC will purchase, as measured through the Annual Volume Commitment Measurement, Tier 1 volumes for the first year of the Service Term. For each subsequent year of the Service Term, the applicable discount will be from the same Tier used for the previous year. For example, if CTC purchased Qualified Business Line volumes in year 2 that, as measured through the Annual Volume Commitment Measurement, equated to the Tier 2 discount for year 2, then CTC would enter year 3 with the applicable Tier 2 discount for year 3. See Table 2 in Section 1(h)(i).

- (vi) For any year of the Service Term when the actual purchased Qualified Business Line volumes, as calculated by the Annual Volume Commitment Determination, equate to a lesser Volume and Term Discount than what was actually billed, CTC shall refund, for the applicable year in question, an amount equal to the difference between the "billed" discount and the "earned" discount. In case of such excess discounting, CTC shall, within thirty (30) days of receipt of written demand therefor, pay to BA in immediately available funds (in addition to any other amounts owed to BA under the Resale Agreements and/or applicable BA resale tariffs), an amount equal to (A) the difference between the "billed" and "earned" Volume and Term Discounts under this Amendment that applied during the year in question, plus (B) interest on the difference in Volume and Term Discounts dating back to the date received from BA calculated using the Applicable Interest Rate, plus (C) any applicable taxes relating thereto. Such payment will be based on the actual lines in service on the last day of each month during the year in question.
- (vii) For any year of the Service Term when the actual purchased Qualified Business Line volumes, as calculated by the Annual Volume Commitment Determination, equate to a greater Volume and Term Discount than what was actually billed, CTC may request a credit, for the applicable year in question, in an amount equal to the difference between the "billed" discount and the "earned" discount. In case of such under-discounting, BA shall, within thirty (30) days of receipt of written demand therefor, credit the applicable CTC account(s), an amount equal to (A) the difference between the "billed" and "earned" Volume and Term Discounts under this Amendment that applied during the year in question, plus (B) interest on the difference in Volume and Term Discounts dating back to the date received from BA equal to the "Prime" interest rate as set forth in The Wall Street Journal from time to time, plus (C) any applicable taxes relating thereto.
- (A) Notwithstanding the provisions of subsection (h)(i) above to the contrary, if, during any year of the Service Term, CTC fails to (x) have at least eighty percent (80%) of its Qualified Business Lines presubscribed to BA's IntraLATA Toll service (the "IntraLATA Toll Presubscription Commitment"), the IntraLATA Toll Discount for the next succeeding year of the Service Term shall be reduced by two percent (2%) (i.e., from three percent (3%) to one percent (1%)) or (y) purchase from BA at least the applicable minimum aggregate total number of minutes of use of BA's IntraLATA Toll service as set forth below in this subsection (viii) (the "MOU Target"), the IntraLATA Toll Discount for the next succeeding year of the Service Term shall be reduced by one percent (1%) (i.e., from three percent (3%) to two percent (2%)); provided, however, that, for the avoidance of any doubt, if CTC fails to meet the applicable requirements under both subsections (x) and (y) above, the amount of the IntraLATA Toll Discount for the next succeeding year of the Service Term shall be reduced to zero (0); provided further that, if CTC fails to meet the applicable requirements under either or both of subsections (x) and (y) above in respect of the fifth year (or other year if, for whatever reason, the last year of the Service Term is not the fifth year) of the Service Term, CTC shall, within thirty (30) days of receipt of written demand therefor, pay to BA in immediately available funds, the amount of the IntraLATA Toll Discount to which it was not entitled during the fifth year (or other year if, for whatever reason, the last year of the Service Term is not the fifth year) of the Service Term (i.e., the two percent (2%)

discount referenced above if CTC did not meet the eighty percent (80%) IntraLATA Toll Presubscription Commitment, and the one percent (1%) discount referenced above if CTC did not meet the MOU Target requirement).

- (B) CTC may, upon sixty (60) days written notice, terminate the IntraLATA Toll Service Presubscription Commitment and MOU Target requirement applicable under this Amendment for any BA jurisdiction (i.e., a particular State or the District of Columbia) without incurring a penalty. Upon the effective date of such termination. BA shall cease the application of the IntraLATA Toll Discount for such jurisdiction and determine, on a pro rata basis, CTC's attainment of minutes of use and BA presubscription commitments during the number of months or portions thereof in the year of the Service Term in which termination occurs. If CTC fails to meet the applicable requirements under either or both of subsections (x) and (y) above, CTC shall, within thirty (30) days of receipt of written demand therefor, pay to BA in immediately available funds, the amount of the IntraLATA Toll Discount to which it was not entitled during the number of months or portions thereof in the year of the Service Term in which termination occurs (i.e., the two percent (2%) discount referenced above if CTC did not meet the eighty percent (80%) IntraLATA Toll Presubscription Commitment, and the one percent (1%) discount referenced above if CTC did not meet the MOU Target requirement).
- (C) During the first year of the Service Term, the MOU Target shall equal the product of (x) forty (40), multiplied by (y) forty percent (40%) of the sum obtained by adding the number of Qualified Business Lines purchased by CTC from BA hereunder as of the last day of the first and last months, respectively, of the first year of the Service Term (the resulting number of lines not to exceed 100,000), multiplied by (z) twelve (12) months. By way of example only, if CTC purchased from BA hereunder 20,000 Qualified Business Lines as of the last day of the first month of the first year of the Service Term and 100,000 Qualified Business Lines as of the last day of the last month of the first year of the Service Term, the MOU Target for the first year of the Service Term would be the product of the following: forty (40), multiplied by .40, multiplied by 120,000 (which is the sum of 20,000 and 100,000), multiplied by twelve (12) which equals 23,040,000 minutes of use of BA's IntraLATA Toll service.
- (D) During subsequent years of the Service Term, the MOU Target shall be determined by BA as set forth below; provided, however, that for the purposes of such calculations, at no time shall the average number of minutes of use per month of BA's IntraLATA Toll service purchased hereunder by CTC from BA per Qualified Business Line (the "Average Monthly MOU Per Line") be less than forty (40) minutes).
- (E) During the second year of the Service Term, the MOU Target shall equal the product of (x) the greater of forty (40) or the Average Monthly MOU Per Line during the first year of the Service Term multiplied by .90, multiplied by (y) forty percent (40%) of the sum obtained by adding the number of Qualified Business Lines purchased by CTC from BA hereunder as of the last day of the first and last months, respectively, of the second year of the Service Term (the resulting number of lines not to exceed 225,000), multiplied by (z) twelve (12) months. By way of example only, if CTC's Average Monthly MOU Per Line for the first year of the Service Term was sixty (60) and

CTC purchased from BA hereunder 60,000 Qualified Business Lines as of the last day of the first month of the second year of the Service Term and 225,000 Qualified Business Lines as of the last day of the last month of the second year of the Service Term, the MOU Target for the second year of the Service Term would be the product of the following: 54 (which is the product of 60 and .90), multiplied by .40, multiplied by 285,000 (which is the sum of 60,000 and 225,000), multiplied by twelve (12) – which equals 73,872,000 minutes of use of BA's IntraLATA Toll service.

- (F) The respective MOU Targets for each of the third, fourth and fifth years of the Service Term shall equal the product of (x) the greater of forty (40) or the Average Monthly MOU Per Line during the immediately preceding year of the Service Term multiplied by .90, multiplied by (y) eighty percent (80%) of the Annual Volume Commitment Determination for the immediately preceding year of the Service Term (the resulting number not to exceed 225,000), multiplied by (z) twelve (12) months. By way of example only, if CTC's Average Monthly MOU Per Line for the third year of the Service Term was sixty (60) and the Annual Volume Commitment Determination for the fourth year of the Service Term was 225,000, the MOU Target for the fourth year of the Service Term would be the product of the following: 54 (which is the product of 60 and .90), multiplied by .80, multiplied by 225,000, multiplied by twelve (12) which equals 116,640,000 minutes of use of BA's IntraLATA Toll service
- (ix) Notwithstanding any provisions of this subsection (h) to the contrary, the amount of the Volume and Term Discount, the Winback Discount and the IntraLATA Toll Discount in any State shall be reduced, if and as necessary, to the extent that, absent such reduction, the sum of the Volume and Term Discount, the IntraLATA Toll Discount and the Existing Wholesale Discount in effect from time to time in such State would exceed the sum of the amount of the Existing Wholesale Discount in effect on the date hereof in such State plus fifteen percent (15%).
- Conditions to Application of Additional Discounts. BA may, at its 2. sole discretion, withhold from CTC some or all of the Volume and Term Discount, Winback Discount and IntraLATA Toll Discount under one, some or all of the Resale Agreements and/or applicable BA tariffs, at any time and, from time to time, if CTC does not place its first order for an Eligible Service hereunder by November 30, 1999, or if CTC materially defaults in performing any of its material obligations under any Resale Agreement, applicable BA tariff or other contractual arrangement between CTC (or any affiliate of CTC) and BA (or any affiliate of BA), and such default is not cured at the time BA prepares the applicable monthly bill(s) for submittal to CTC. Such a material default includes, without limitation, failure by CTC to fulfill any of the obligations set forth in the subsections of this Section 2, the breach of which, for the avoidance of doubt, however, shall not affect the respective Existing Wholesale Discounts to which CTC may be entitled under the Resale Agreements or applicable BA resale tariffs prior to giving effect to this Amendment. In such case, if BA exercises its discretion and withholds some or all of the Volume and Term Discount, Winback Discount or IntraLATA Toll Discount, once the default is cured BA may, at its sole option, release none, some or all of the withheld portion of the Volume and Term Discount, Winback Discount or IntraLATA Toll Discount. If BA opts not to release all of any such withheld portions, CTC shall have no right to any of the unreleased amounts.

- (a) <u>Electronic Orders</u>. Notwithstanding any provisions of a Resale Agreement or applicable BA resale tariff to the contrary, all orders submitted by CTC to BA pursuant to any of the Resale Agreements or applicable BA resale tariffs, whether or not in respect of Eligible Services set forth in Appendix 1 hereto, shall be submitted via an electronic interface approved by BA for the provisioning of services under a resale arrangement.
- Assignments and Mergers/Acquisitions. Without the prior written consent of BA (which may be withheld by BA in its sole discretion), neither CTC nor any affiliate of CTC that becomes a party to this Amendment in accordance with the terms hereof (each of such affiliates, together with CTC, being a "CTC Company") shall assign any of its respective rights or obligations under any of the Resale Agreements or under this Amendment (or under any other resale agreement or related agreement, in the case of another entity that becomes a CTC Company), and shall not accept an assignment to it of any of the respective rights or obligations of another entity under a resale agreement or related agreement with BA. If a CTC Company merges with another entity or acquires another entity (or if the parent company of the CTC Companies is acquired by another entity), which other entity in any case, prior to such merger or acquisition, was not a party to a resale volume and term discount arrangement with BA, the applicable CTC Company may elect to count Qualified Business Lines being purchased by such other entity from BA as Qualified Business Lines hereunder for purposes of the Annual Volume Commitment Determination (and such lines shall be eligible for the discounts available under this Amendment in accordance with the terms hereof); provided that upon BA's request, the CTC Company and/or such other entity (which shall then be deemed to be a CTC Company) shall first execute such documents as BA reasonably deems necessary to give effect to the terms of this Amendment, particularly to amend the terms and conditions of the applicable resale agreements of the other entity in a manner substantially identical to the terms and conditions of this Amendment; provided further that BA may, at its discretion, cease counting Qualified Business Lines being purchased in respect of the acquired, acquiring or merged with CTC Company as Qualified Business Lines hereunder for purposes of the Annual Volume Commitment Determination (and such lines shall cease being eligible for the discounts available under this Amendment and any such related documents) if any of the applicable CTC Companies (to include the other entity acquired, acquiring or to which merged) fails, within one hundred eighty (180) days of the effective date of such merger or acquisition, to exclusively utilize the same type of electronic interface (e.g., Web-GUI, EDI, etc.), to include, without limitation, the applicable version thereof, with BA on a State by State basis (to include the District of Columbia), as the type of such electronic interface (to include, without limitation, the applicable version thereof) used by the other CTC Companies for such jurisdiction; the foregoing shall also apply in the case of a CTC Company ceasing to utilize the same such type of electronic interface (to include, without limitation, the applicable version thereof). If a CTC Company merges with another entity or acquires another entity (or if the parent company of the CTC Companies is acquired by another entity), which other entity in any case, prior to such merger or acquisition, was a party to a resale volume and term discount arrangement with BA, the CTC Company and/or such other entity, as applicable, shall be responsible for fulfilling their

respective obligations to BA under both this Amendment and such other resale volume and term discount arrangement.

- Order Quality. At least ninety-five percent (95%) of CTC's orders submitted to BA during each month of the Service Term (whether or not in respect of Eligible Services set forth in Appendix 1 hereto) shall not contain errors or omissions such that they are rejected by BA or require gueries from BA to CTC. In addition, CTC shall submit such orders so that at least ninety percent (90%) of Flow Through Eligible Orders actually flow through; a "Flow Through Eligible Order" does not require manual intervention by BA. Upon the first billing cycle month of the Service Term in which one or both of the above conditions is not met, CTC agrees, upon reasonable request by BA, to meet with BA promptly and in good faith to determine the reasons that the foregoing percentage(s) was not met and to develop a plan for improvement. If CTC does not meet either of such conditions for a second consecutive month, CTC agrees, upon reasonable request by BA, to meet with BA promptly and in good faith to determine the reasons that the foregoing percentage(s) was not met and to develop a plan for improvement. If CTC does not meet either of such conditions for a third consecutive month, CTC shall be deemed to have materially defaulted in performing under this subsection, and BA may, at its sole option, not apply the Volume and Term Discount, Winback Discount and/or IntraLATA Toll Discount to Eligible Services purchased by CTC from BA under the Resale Agreements and/or applicable BA resale tariffs until CTC first meets both such conditions in a subsequent month of the Service Term.
- (d) <u>Forecasts</u>. CTC shall provide to BA accurate and timely forecasts in accordance with BA's forecasting requirements as in effect from time to time (as currently set forth in Section 8.4 of Volume I of BA's Resale Handbook series), at least twice a year during the Service Term, of the Eligible Services under each Resale Agreement or applicable BA resale tariff that CTC anticipates purchasing from BA.
- (e) Cooperation With BA Processes/Joint Efforts to Increase Efficiency. Each Party shall use commercially reasonable efforts to comply with the other Party's reasonable requests aimed at increasing the efficiency of the ordering and maintenance processes under the Resale Agreements and/or applicable BA resale tariffs. Such requests may include, without limitation that CTC personnel attend training sessions from time to time regarding ordering, that CTC use certain reference materials designated by BA that are designed to limit the number of calls made to BA's Help Desk, that CTC participate in Industry Change Control meetings held from time to time by BA, that CTC use pre-order functionalities established by BA to validate addresses, to determine feature availability, to reserve telephone numbers and the like, and that representatives of the Parties meet, from time to time, to discuss means by which such efficiency can be improved,.
- 3. <u>Limited Amendments</u>. The amendments set forth in this Amendment shall be limited precisely as written and shall not be deemed to (a) be an amendment to or waiver of any other term or condition of the Resale Agreements or of any other instrument, tariff, SGAT or agreement referred to therein; or (b) prejudice any right or remedy that either Party may have in the future under or in connection with the Resale Agreements or any instrument, tariff, SGAT or agreement referred to therein.

For the avoidance of doubt, any and all amounts due to BA under the terms of this Amendment shall be subject, in addition to the specific remedies set forth in this Amendment, also (at BA's sole option) to the remedies and procedures set forth in the Resale Agreements and/or applicable BA tariffs; provided, however, that in the event CTC shall fail to (a) purchase a quantity of Qualified Business Lines at least equal to the applicable Annual Volume Commitment, (b) have at least eighty percent (80%) of its Qualified Business Lines presubscribed to BA's IntraLATA Toll Service or (c) satisfy the applicable MOU Target, CTC's liability, and BA's sole claim and recourse, with respect to any such failure, shall be limited to (w) not providing to CTC the applicable discounts under this Amendment, (x) repayment of all of the discounts under this Amendment that CTC received during the period in question, together with interest on such discounts dating back to the date received from BA calculated using the Applicable Interest Rate. as well as any applicable taxes relating thereto and a handling fee equal to five percent (5%) of the amount of the discounts under this Amendment that CTC received during the period in question and (z) termination of this Amendment, to the extent applicable, in each case in accordance with the terms of this Amendment...

- 4. Ratification of Resale Agreements; No Challenges. This Amendment shall be construed in connection with and, as a part of, the Resale Agreements, and all terms, conditions, representations, warranties, covenants and agreements set forth in the Resale Agreements, except as herein amended or waived, are hereby ratified and confirmed and shall remain in full force and effect. In addition, CTC hereby expressly agrees not to challenge the reasonableness, enforceability, validity, legality or the like, of any term or condition in any of the Resale Agreements or in this Amendment, either before a court or regulatory authority of competent jurisdiction, or otherwise.
- 5. <u>Claims</u>. (a) <u>Definition of Claims</u>. For purposes of this Amendment, "Claims" means any and all manner of liabilities, obligations, causes of action, in law or equity, complaints, actions, demands, suits, debts, dues, judgments, executions, costs, expenses and other claims of any and every kind, arising under any theory of contract, tort, fraud, breach of duty, strict liability, or any other theory of liability, based on any federal, State, or local law, code, statute, rule or regulation or the common or civil law of any jurisdiction, known or unknown, fixed or contingent, suspected or unsuspected, or latent, concealed or hidden, that a Party asserted or could have asserted against the other Party as of the Effective Date or before such date; provided, however, that "Claims" shall not include any right, duty or obligation that by the terms of Section 5(c)(ii) hereof remains in full force and effect and is not limited or waived.
- (b) <u>Definition of Parties</u>. For purposes of and, in connection with, the release contained in this Amendment, references to a Party include such Party and each of its shareholders, parents, subsidiaries, assigns, predecessors and successors in interest, partners, agents and affiliates, and the officers, directors, employees, controlling persons, shareholders, servants, representatives, attorneys, administrators, partners, agents and affiliates of each of them and all parties acting by, through, under or in concert with each of them, past or present.

- (c) <u>Release of Claims</u>. (i) On the Effective Date, CTC hereby releases, remixes, acquits and forever discharges BA from and against any and all Claims of CTC against BA.
- (ii) Each Party agrees that with respect to those agreements between them, as amended by the terms of this Amendment and any other documents entered into in connection herewith, the lawful obligations and duties of such agreements shall be in full force and effect as of the Effective Date and henceforth.
- (d) <u>Delivery of Releases in Future</u>. CTC agrees, for the benefit of BA and at its own expense, that now and in the future it will execute and deliver to BA any releases of judgment, liens, bonds or encumbrances (whether statutory, common law or otherwise) in favor of CTC arising out of or with respect to the Claims of CTC or the subject matter thereof, and any releases of mortgage, termination statements or other similar instruments that are necessary or advisable to release and discharge of record all liens, security interests and other encumbrances in favor of CTC under or with respect to the Claims of CTC and that it will now and in the future pay all taxes (other than taxes imposed on or measured by the income of BA), costs or expenses, if any, upon any documents or transactions relating thereto.
- (e) <u>Full and Final Release</u>. This Amendment is a full and final release applying not only to such of the Claims of CTC as are presently known, anticipated or disclosed to either of the Parties but also to all such Claims of CTC which are presently unknown, unanticipated and undisclosed to either or both of the Parties and which may have arisen prior to the Effective Date.
- (f) Representations. (i) Each Party represents, warrants and agrees that in executing and entering into this Amendment, it is not relying and has not relied upon any representation, promise or statement made by anyone which is not recited, contained or embodied in this Amendment. Each Party understands and expressly assumes the risk that any fact not recited, contained or embodied herein or therein may turn out hereafter to be other than, different from, or contrary to the facts now known to it or believed by it to be true. Each Party further understands that the other Party may possess material information regarding Claims that it has not shared or revealed to the other Party. Nevertheless, CTC intends by this Amendment, and with the advice of its own independently selected counsel, to release fully, finally and forever all Claims of CTC and to agree that this Amendment shall be effective in all respects notwithstanding any such difference in facts, and shall not be subject to termination, modification or rescission by reason of any such difference in facts.
- (ii) CTC represents and warrants that it has not heretofore assigned or transferred or purported to assign or transfer to any person or entity all or any part of or any interest in any Claim of CTC. CTC agrees to indemnify and to hold harmless BA against any claim, contention, demand, cause of action, obligation or liability of any nature, character or description whatsoever, including the payment of attorneys' fees and costs actually incurred, whether or not litigation is commenced, which may be based upon or which may arise out of or in connection with any such assignment or transfer or purported assignment or transfer of any Claim of CTC.

- (g) <u>No Liability</u>. This Amendment is not intended to be and shall not be deemed, construed or treated in any respect as an admission of liability by any person or entity for any purpose.
- (h) <u>Condition Precedent for BA Entry into Amendment</u>. The entry by BA into this Amendment is premised, among other things, on BA not being aware of having any Claims against CTC or any affiliate of CTC. As such, to the extent that another reseller would wish to enter into an arrangement with BA similar or identical to this Amendment, pursuant to Section 252(i) of the TelAct or otherwise, BA would have no obligation to enter into any such arrangement with such other reseller to the extent that BA was aware of any Claims it might have against such other reseller or any affiliate of such reseller.
- 6. <u>Final Agreement</u>. This Amendment constitutes the full and only agreement between the Parties with respect to its subject matter, supersedes all previous agreements between them concerning such subject matter and cannot be amended except by a writing duly signed by each of them.
- 7. <u>Authority</u>. Each of the Parties hereby covenants, warrants and represents to the other Party that it has full power, right and authority to execute, deliver, enter into and perform this Amendment.
- 8. <u>CHOICE OF LAW</u>. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK FOR ALL PURPOSES, INCLUDING BOTH CONSTRUCTION AND REMEDY, WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW (OR ANY SUCCESSOR PROVISION THERETO)).
- 9. <u>Jurisdiction</u>. The Parties hereby irrevocably submit to the venue and to both subject matter and personal jurisdiction in the Courts of the State of New York and of the United States of America for the Southern District of New York.
- 10. <u>Counterparts</u>. This Amendment may be executed and delivered in counterparts and may be delivered by facsimile transmission and shall be binding upon each of the Parties and on their respective successors and assigns.
- 11. <u>Headings</u>. The headings contained in this Amendment are for ease of reference only and shall be of no legal effect.
- 12. <u>No Severability</u>. If any of the provisions of this Amendment are held to be invalid or unenforceable by a court or regulatory authority of competent jurisdiction, BA may elect, at its sole option, to terminate this Amendment or to enter into a mutually agreeable further amendment to the Resale Agreements and/or agreement incorporating by reference the terms of applicable BA resale tariffs (with respect only to CTC). In case of such termination, CTC shall nonetheless remain obligated to pay to BA

all amounts, if any, due to BA pursuant to and, on terms set forth in, this Amendment that have accrued as of the date of termination.

- 13. Termination Right. BA is entering into this Amendment to increase the volume of resale business it conducts with resellers, especially in the short term. In addition, given that the procedures set forth herein are new, the overall impact of such procedures on BA's business is uncertain. Accordingly, BA is limiting the time period during which arrangements such as those set forth in this Amendment shall be available. As such, if during the period beginning on the date hereof and ending November 30, 1999, CTC shall not have placed its first order with BA for an Eligible Service pursuant to the terms of this Amendment, BA may, at its sole option, terminate this Amendment. In addition and, consistent with the foregoing, to the extent that another reseller would wish to enter into an arrangement with BA similar or identical to this Amendment, pursuant to Section 252(i) of the TelAct or otherwise, BA would not be under any obligation to enter into any such arrangement with such other reseller after November 30, 1999.
- 14. <u>Minimum Volume Representation</u>. CTC represents and warrants that, during the month immediately preceding the date hereof, it purchased from BA, for resale, not less than 20,000 Qualified Business Lines.
- 15. Right of Setoff. In addition to any other remedies available to BA under the Resale Agreements, and/or applicable BA tariffs and/or other contractual arrangements between BA and CTC, if CTC does not pay to BA any amount due to BA under a Resale Agreement, and/or an applicable BA tariff and/or other contractual arrangement between BA and CTC, BA may, at its sole option, set off such overdue amounts from the amount of the Volume and Term Discount, Winback Discount, IntraLATA Toll Discount and/or Existing Wholesale Discount.

16. Bankruptcy-Related Provisions.

- (a) Pre-Petition Waiver of Automatic Stay. CTC hereby acknowledges and agrees that in the event it becomes the subject of a bankruptcy, insolvency, liquidation or similar proceeding affecting the rights of creditors under State or Federal law that it shall waive and shall not assert or seek any automatic stay (including a stay imposed by operation of 11 U.S.C. Sections 105, 362 or 366), injunction or similar bar on BA exercising its rights or remedies available to it under any of the Resale Agreements, this Amendment, applicable BA tariffs or applicable law, including terminating any of the Resale Agreements and/or this Amendment, terminating or curtailing service to CTC or CTC's customers, transferring such customers to a new service provider, terminating any license, possessory interest or lease arrangement or agreement with CTC, or repossessing any property owned by BA.
- (b) <u>Assumption or Rejection of Agreements</u>. In the event that a case is commenced pursuant to 11 U.S.C. Section 101 <u>et seq.</u> or similar Federal or State insolvency law, by or against CTC, CTC agrees, within thirty (30) days of such commencement, to elect either to assume or reject the Resale Agreements (as amended hereby) and this Amendment and to file a motion in its bankruptcy case and seek approval of such election within that 30-day time period.

- (c) <u>Jurisdiction to Modify Terms</u>. Notwithstanding any other provisions of this Amendment, any of the Resale Agreements or applicable BA tariffs, this Amendment and the Resale Agreements are subject to change, modification or cancellation as may be required by a regulatory authority or court in the execution of its lawful jurisdiction, other than a court exercising jurisdiction pursuant to 28 U.S.C. Section 1334.
- (d) <u>Accelerated Billing</u>. CTC hereby acknowledges and agrees that in the event it becomes the subject of a bankruptcy, insolvency, liquidation or similar proceeding affecting the rights of creditors under State or Federal law, BA may, at its option, bill CTC for weekly service charges under the Resale Agreements (as amended hereby) and/or applicable BA tariffs, which amounts shall be due and payable within five (5) business days of receipt by CTC of the particular invoice.
- (e) <u>Prepayment</u>. CTC hereby acknowledges and agrees that in the event it becomes the subject of a bankruptcy, insolvency, liquidation or similar proceeding affecting the rights of creditors under State or Federal law, BA may, at its option, bill CTC up to one (1) month in advance of receipt by CTC of BA services under the Resale Agreements (as amended hereby) and/or applicable BA tariffs, and in such case CTC shall be required to prepay BA for such BA services, which amounts in respect thereof shall be due and payable within five (5) business days of receipt by CTC of the particular invoice.
- 17. Other BA Resale Term and Volume Discount Plans. If BA enters into, with a party other than CTC, a resale term and volume discount plan that contains terms and conditions that are materially different than the terms and conditions set forth in this Amendment, upon receipt of a written request from CTC, BA agrees to promptly begin good faith negotiations with CTC in order to modify this Amendment or to enter into a new contract with terms and conditions consistent with those in the term and volume discount plan with the other party. In addition, upon receipt of a written request from CTC from time to time, BA shall inform CTC whether it has entered into any such other resale term and volume discount plan and, if such plan is not subject to a non-disclosure obligation, provide a copy of such plan to CTC.
- 18. <u>Joint and Several Liability of CTC Companies</u>. Each CTC Company (including all entities that become a CTC Company) shall be jointly and severally liable for any and all liabilities of any and all CTC Companies under this Amendment, the Resale Agreements, any other resale agreements and related documents, applicable BA tariffs or otherwise; provided, however, that for the avoidance of any doubt, the entry by CTC into this Amendment shall not be construed in any way as authorizing (or requiring) CTC to provide any telecommunications service.
- 19. <u>Letter of Credit</u>. Not later than the Effective Date of this Amendment, CTC shall obtain and provide to BA an unconditional, irrevocable standby letter of credit naming BA as the beneficiary thereof and otherwise in form and substance satisfactory to BA from a financial institution acceptable to BA, in an amount equal to five hundred thousand dollars (\$500,000), in respect of charges (including,

without limitation, both recurring and non-recurring charges) for the services, facilities or arrangements provided or to be provided by BA to CTC (whether under any Resale Agreement (as amended hereby), BA tariff or otherwise); provided, however, that not later than one (1) year after the Effective Date of this Amendment, CTC shall increase the amount of such letter of credit to one million dollars (\$1,000,000); provided further that, not later than two (2) years after the Effective Date of this Amendment, CTC shall increase the amount of such letter of credit to two million dollars (\$2,000,000). BA may (but is not obligated to) draw on the letter of credit upon notice to CTC in respect of any amounts billed to CTC that are not paid within the applicable time period for payment thereof. The fact that CTC provides the foregoing letter of credit shall in no way relieve CTC from compliance with BA's regulations as to advance payments and payment for service, nor constitute a waiver or modification of the applicable terms of the Resale Agreements, BA's tariffs or otherwise pertaining to the discontinuance of service for nonpayment of any sums due to BA for the services, facilities or arrangements rendered.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed as of the day and year first above written.

NEW TOTAL TELEFITIONE COMM 7441
By:
NEW ENGLAND TELEPHONE AND
TELEGRAPH COMPANY By:
Name: Jacob Goldberg Title: President, Telecom Industry Services
BELL ATLANTIC - DELAWARE, INC.
By:
Name: Jacob Goldberg Title: President, Telecom Industry Services
BELL ATLANTIC - MARYLAND, INC.
By:
Name: Jacob Goldberg
Title: President Telecom Industry Services

NEW YORK TELEPHONE COMPANY

BELL ATLANTIC - NEW JERSEY, INC.
By: Name: Jacob Goldberg Title: President, Telecom Industry Services
BELL ATLANTIC - PENNSYLVANIA, INC.
By: Name: Jacob Goldberg Title: President, Telecom Industry Services
BELL ATLANTIC - VIRGINIA, INC.
By: Name: Jacob Goldberg Title: President, Telecom Industry Services
CTC Communications
By:Name: Michael H. Donnellan Title: Executive Vice President

SECOND AMENDMENT TO RESALE AGREEMENTS

This Second Amendment to Resale Agreements (the "Second Amendment"), dated as of this 21st day of October, 2004 (the "Effective Date"), is between Verizon New York Inc., f/k/a New York Telephone Company, d/b/a Verizon New York in the states of New York and Connecticut, respectively, Verizon New England Inc., f/k/a New England Telephone and Telegraph Company, d/b/a Verizon Maine, Verizon Massachusetts, Verizon New Hampshire, Verizon Rhode Island, and Verizon Vermont, respectively, Verizon Delaware Inc., f/k/a Bell Atlantic - Delaware, Inc., Verizon Maryland Inc., f/k/a Bell Atlantic - Maryland, Inc., Verizon New Jersey Inc., f/k/a Bell Atlantic - New Jersey, Inc., Verizon Pennsylvania Inc., f/k/a Bell Atlantic - Pennsylvania, Inc., Verizon Virginia Inc., f/k/a Bell Atlantic - Virginia, Inc., Verizon Washington, DC Inc., f/k/a Bell Atlantic-Washington, D.C., Inc. and Verizon West Virginia Inc, f/k/a Bell Atlantic – West Virginia, Inc. (individually and collectively, as applicable, "Verizon" or "BA"), on the one hand, and CTC Communications Corp., a Massachusetts corporation ("CTC"), on the other hand (Verizon and CTC individually being referred to as a "Party" and, collectively, as the "Parties").

WHEREAS, Verizon and CTC are parties to Resale Agreements for Washington, D.C. and the states of Delaware, Maryland, New Jersey, Pennsylvania, Virginia, Vermont, Maine, New Hampshire, Rhode Island, and West Virginia respectively (the foregoing agreements being referred to as the "Resale Agreements"), and CTC purchases services from Verizon for resale in New York under Verizon's New York resale tariff, in the Commonwealth of Massachusetts under Verizon's Massachusetts resale tariff, and in the state of Connecticut under Verizon's Connecticut resale tariff;

WHEREAS, the Parties previously entered into an Amendment to Resale Agreements, dated July 1, 1999 (the "First Amendment") which provides a Volume and Term Discount, Winback Discount and IntraLATA Toll Discount (as those terms are defined in the First Amendment), subject to certain terms and conditions set forth therein, on certain Eligible Services (which term is also defined in the First Amendment) that CTC purchases from Verizon under the Resale Agreements and/or applicable Verizon resale tariffs for resale;

WHEREAS, the Parties desire to memorialize their agreement that the First Amendment amends their Resale Agreements for West Virginia and Washington, D.C.

WHEREAS, the Parties desire to make certain modifications to the Resale Agreements and the First Amendment;

NOW THEREFORE, in consideration of the mutual agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Verizon and CTC hereby agree as follows:

- 1. The Parties agree that the First Amendment amends the Resale Agreements for Washington, D.C. and West Virginia and pursuant to such agreement, Attachments 29 through 32 (attached hereto at Exhibit A) are hereby added to the Appendix 1 of the First Amendment. The parties understand and agree that notwithstanding the Effective Date, that the provisions of this Amendment shall apply retroactively to July 1, 2004.
- 2. <u>Term of Resale Agreements</u>. The Service Term (as such term is defined in the First Amendment) of each Resale Agreement is hereby extended by two (2) additional years, so that each Resale Agreement, unless terminated earlier in accordance with the terms thereof, shall expire seven (7) years from July 1, 1999. The first additional year shall run from July 1, 2004 through June 30, 2005 and the second additional year shall run from July 1, 2005 through June 30, 2006.
- 3. <u>Annual Volume Commitment</u>. Section 1(b)(i) of the First Amendment is hereby amended so that the Annual Volume Commitment schedule set forth therein reads in its entirety as follows:

"Year 1: at least 100,000 Qualified Business Lines; and Years 2-7: at least 225,000 Qualified Business Lines each year"

4. <u>Annual Volume Commitment Measurement</u>. Section 1(e) of the First Amendment is hereby amended to include a reference to the sixth and seventh years of the Service Term in the Volume and Term Matrix (Table 1) set forth therein, so that the matrix reads in its entirety as follows:

VOLUME & TERM MATRIX

V & T Tier	EOY 1	EOY 2	EOY 3	EOY 4	EOY 5, 6 and 7
Tier 1 _A	≥90k to 100K QBLs	≥203K to 225K QBLs	≥225K QBLs	≥225K QBLs	≥225K QBLs
Tier 1 _B	≥95k to 100K QBLs	≥214K to 225K QBLs	N/A	N/A	N/A
Tier 2	60K to Tier 1	150K to Tier 1	150K to Tier 1	150K to Tier 1	150K to Tier 1
Tier 3	N/A	100K to Tier 2	100K to Tier 2	100K to Tier 2	100K to Tier 2
Tier 4	<60K Terminate Contract	<100K Terminate Contract	<100K Terminate Contract	<100K Terminate Contract	<100K Terminate Contract

- 5. <u>Minimum Purchase</u>. The first sentence of Section 1(f)(vi) of the First Amendment is hereby amended to include reference to the sixth and seventh years of the Service Term, so that it reads in its entirety as follows:
 - "(vi) BA will monitor CTC's monthly volumes of Qualified Business Lines during the fifth, sixth and seventh years of the Service Term to ensure compliance with minimum commitment requirements, i.e., ≥100,000 Qualified Business Lines."
- 6. <u>Termination Charge</u>. Section 1(g)(ii) of the First Amendment is hereby amended to include reference to the sixth and seventh years of the Service Term, so that it reads in its entirety as follows:
 - "(ii) In each case during the fourth, fifth, sixth and seventh years of the Service Term, if CTC terminates any of the Resale Agreements or this Amendment, or if BA in its discretion terminates any of the Resale Agreements or this Amendment due to breach, or if CTC ceases to be a certified reseller (and does not restore its certification within forty-five (45) days of the loss or expiration of certification) in each State in which it has a Resale Agreement with BA or purchases services from BA under an applicable BA resale tariff, CTC shall, within thirty (30) days of receipt of written demand therefor, pay to BA in immediately available funds (in addition to any other amounts owed to BA under the Resale Agreements and/or applicable BA resale tariffs), an amount equal to (A) all of the discounts under this Amendment that CTC received during the number of months or portions thereof in the year of the Service Term in which termination or loss of certification occurs, plus (B) interest on such discounts dating back to the date received from BA calculated using the Applicable Interest Rate, plus (C) any applicable taxes relating thereto, plus (D) a handling fee equal to five percent (5%) of the amount of the discounts under this Amendment that CTC received during the year in question."

7. Additional Discounts.

(A) Section 1(h)(i) of the First Amendment is hereby amended to include a reference to the sixth and seventh years of the Service Term in the Volume and Term Discount Schedule (Table 2) set forth therein, so that the schedule reads in its entirety as follows:

VOLUME and TERM DISCOUNT SCHEDULE

V & T Tier	EOY 1	EOY 2	EOY 3	EOY 4	EOY 5, 6 and 7
Tier 1 _A	≥90k to 100K	≥203K to	≥225K QBLs	≥225K QBLs	≥225K QBLs
	QBLs	225K QBLs	12 %	12 %	12 %

	10%	12%			
Tier 1 _B	≥95k to 100K QBLs 10%	≥214K to 225K QBLs 12%	N/A	N/A	N/A
Tier 2	60K to Tier 1	150K to Tier 1	150K to Tier 1	150K to Tier 1	150K to Tier 1
		10%	10%	10%	10%
Tier 3	N/A	100K to Tier 2	100K to Tier 2	100K to Tier 2	100K to Tier 2
		7%	7%	7%	7%
Tier 4	<60K	<100K	<100K	<100K	<100K
	Terminate	Terminate	Terminate	Terminate	Terminate
	Contract	Contract	Contract	Contract	Contract

- (B) Section 1(h)(iv) of the First Amendment is hereby amended to include the sixth and seventh years of the Service Term, so that it reads in its entirety as follows:
 - "(iv) Subject to repayment under the terms of this Amendment, during the second through seventh years of the Service Term the Volume and Term Discount shall equal twelve percent (12%) if the Annual Volume Commitment Measurement reflects Tier 1 volume attainment or ten percent (10%) if the Annual Volume Commitment Measurement reflects Tier 2 volume attainment or seven percent (7%) if the Annual Volume Commitment Measurement reflects Tier 3 volume attainment."
- (C) The first sentence of Section 1(h)(viii)(F) of the First Amendment is hereby amended to include reference to the sixth and seventh years of the Service Term, so that it reads in its entirety as follows:

"The respective MOU Targets for each of the third, fourth, fifth, sixth and seventh years of the Service Term shall equal the product of (x) the greater of forty (40) or the Average Monthly MOU Per Line during the immediately preceding year of the Service Term multiplied by .90, multiplied by (y) eighty percent (80%) of the Annual Volume Commitment Determination for the immediately preceding year of the Service Term (the resulting number not to exceed 225,000), multiplied by (z) twelve (12) months."

8. <u>Scope of Second Amendment</u>. Except to the extent set forth in sections 1 through 7 of this Second Amendment, all terms in the Resale Agreements and the First Amendment shall remain in full force and effect on and after the Effective Date hereof.

- 9. <u>Conflict Between this Second Amendment and the Agreement</u>. In the event of a conflict between a term or condition of this Second Amendment and a term or condition of the Resale Agreements or the First Amendment, this Second Amendment shall govern.
- 10. <u>Counterparts</u>. This Second Amendment may be executed in one or more counterparts, each of which when so executed and delivered shall be an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be duly executed as of the day and year first above written.

By:_____ Name: Title: _____ VERIZON NEW YORK INC. By: Name: Title: VERIZON NEW ENGLAND INC. By:_____ Name: _____ Title: VERIZON DELAWARE INC. By: Name: _____ Title: _____

CTC COMMUNICATIONS CORP.

VERIZON MARYLAND INC.	
Ву:	
Name:	
Title:	
VERIZON NEW JERSEY INC.	
By:	
Name:	
Title:	
VERIZON PENNSYLVANIA INC.	
Ву:	
Name:	
Title:	
VERIZON VIRGINIA INC.	
By:	
Name:	
Title:	

VERIZON WEST VIRGINIA INC.	
Ву:	
Name:	
Title:	
VERIZON WASHINGTON, DC INC.	
Ву:	
Name:	
T'U.	

EXHIBIT A