

ORIGINAL

ATTACHMENT B

Special Project 980000B-SP
BellSouth Response to
FPSC Division of Research & Regulatory Review
September 4, 1998
Item 3

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NOTICE

The mailing, delivery or negotiation of this Standard Marketing Agreement by BellSouth Telecommunications, Inc., (BellSouth), or by its agent or attorney, shall not be deemed to be an offer by BellSouth to enter into any transaction or to enter into any other relationship with the party that receives this Standard Agreement (Recipient), whether on the terms contained herein or on any other terms. Recipient acknowledges that this Agreement shall not be binding upon BellSouth, nor shall BellSouth have any obligations or liabilities or Recipient any rights with respect thereto, unless and until BellSouth has executed and delivered a final Agreement. Until such execution and delivery, BellSouth may terminate all negotiations and discussions of the subject matter hereof, without cause and for any reason, without recourse or liability.

**MULTIPLE DWELLING UNIT
MARKETING AGREEMENT**

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MULTIPLE DWELLING UNIT
MARKETING AGREEMENT

This MULTIPLE DWELLING UNIT (MDU) AGREEMENT ("Agreement") is entered into by and between BELLSOUTH TELECOMMUNICATIONS, INC., a Georgia corporation with its principal place of business at 675 West Peachtree Street, Atlanta, Georgia 30375, on behalf of itself and certain affiliated BellSouth Companies whose services BST is authorized to sell ("BST") and [INSERT COMPANY NAME IN CAPS], a [INSERT STATE] corporation with its principal place of business at [INSERT ADDRESS] ("PROPERTY OWNER").

WHEREAS, BST is engaged in the business of marketing and providing services; and,

WHEREAS, PROPERTY OWNER is engaged in the business of marketing and sales/leasing of residential dwellings; and,

WHEREAS, BST intends to offer certain services via certain authorized sales representatives; and

WHEREAS, BST desires to retain the services of PROPERTY OWNER to market and sell services for BST; and

WHEREAS, PROPERTY OWNER desires to become a marketing and sales representative of BST to sell services as indicated hereafter; and

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereby mutually agree as follows:

I. APPOINTMENT OF PROPERTY OWNER AS SALES REPRESENTATIVE

- A. BST hereby appoints PROPERTY OWNER as an authorized sales representative at the locations designated in Appendix A of this Agreement to promote the sale of and to solicit orders for the services enumerated in Appendix B and such other services as may be subsequently added to this Agreement ("Service").
- B. PROPERTY OWNER hereby accepts such appointment and agrees to exert reasonable efforts to market and sell the Services described or referenced in this Agreement. This Agreement contemplates PROPERTY OWNER's conduct of sales activity, directly and/or indirectly, in the form of sales, or other activities as reasonably requested or proposed from time to time by BST.
- C. It is agreed between the parties that BST also may market, promote, and obtain contracts for Service at the locations designated in Appendix A through BST's own sales force, its affiliates and/or subsidiaries or through other contracted sales representatives.
- D. BST and PROPERTY OWNER agree that the relationship between them arising from this Agreement is that of independent contractors. Except for the rights retained by or granted to, and the obligations undertaken by, each party pursuant to this Agreement, neither has any right or any authority to enter into any contract or undertaking in the name of or for the account of the other or to assume or create any obligation of any kind, expressed or implied, on behalf of the other, nor shall the acts or omissions of either create any liability for the other. Each party shall conduct its business at its own initiative, responsibility, and expense. Unless otherwise provided expressly herein, all persons assigned by PROPERTY OWNER to perform under this Agreement shall be considered solely PROPERTY OWNER's employees. PROPERTY OWNER is solely responsible for all compensation paid directly to its employees. BST will pay all compensation under this Agreement directly to PROPERTY OWNER. Both parties shall at all times retain responsibility for compliance with all terms, conditions and their respective obligations under this Agreement. Subcontracting by either party, in any form, of any of their respective obligations hereunder, in whole or in part, without the other party's authorization, is expressly

prohibited and constitutes breach of this Agreement. For purposes of this section, the term subcontracting means delegating the work required or permitted under this Agreement to any person or third party not employed by the parties. Notwithstanding the above, PROPERTY OWNER may delegate to a property management company some or all of the duties and obligations placed on PROPERTY OWNER, subject to PROPERTY OWNER's continued responsibility for all of its obligations set forth herein. Written documentation of such delegation of authority shall be provided by PROPERTY OWNER to BST contemporaneously with such grant of authority.

II. TERM

The Term of this Agreement shall commence when fully executed by both parties and shall continue thereafter for a term of _____ () years ("Term"), or until terminated as provided for under this Agreement. This Agreement may be renewed at the end of the original Term for a Term which shall be mutually agreed upon in writing by both parties.

III. PROPERTY OWNER'S RESPONSIBILITIES

- A. PROPERTY OWNER agrees to the terms, conditions and obligations set forth herein and in Appendices A and B, as they relate to PROPERTY OWNERS' activities under this Agreement.
- B. Nothing in this Agreement shall be construed to preclude any resident at the locations subject to this Agreement from unilaterally electing to take similar products and services as are offered and sold by PROPERTY OWNER on behalf of BST from another provider of similar products and services. This Agreement shall not constitute an exclusive facilities agreement.
- C. PROPERTY OWNER shall comply with any applicable provisions of BST tariffs and such reasonable sales, service, engineering, performance and operations standards as BST may, from time to time promulgate and communicate to PROPERTY OWNER. Continued failure, after notice and a reasonable opportunity to cure, of PROPERTY OWNER to comply with any of the above-related provisions shall be grounds for termination.

- D. PROPERTY OWNER agrees to the performance objectives set forth in Appendix B. PROPERTY OWNER agrees to exert its best efforts to meet these performance objectives. Continued failure, after notice and a reasonable opportunity to cure, to attain the agreed upon performance objectives shall be deemed a material breach of this Agreement, and shall be grounds for termination of this Agreement.

IV. BST'S RESPONSIBILITIES

- A. BST agrees to the terms, conditions, and obligations set forth herein and in Appendices A and B, as they relate to support of PROPERTY OWNER's sales efforts under this Agreement.
- B. BST will make subsequent program enhancements available to PROPERTY OWNER so long as all applicable terms, conditions and other requirements for receipt of such enhancements are met and expressly agreed upon by PROPERTY OWNER.

V. PRICES, TERMS OF SALE, COMMISSIONS

A. Prices

BST shall offer services to customers at the prices set forth in the applicable BST tariffs, BST or affiliate price lists and/or in special promotional packages provided to PROPERTY OWNER in any given case.

B. Orders and Acceptance

1. ORDER PROCESS. All orders taken and entered by PROPERTY OWNER from customers shall be in conformance with the manner and terms specified by BST in training and written operating standards and guidelines. All orders shall be placed in the manner directed and through BST's designated order channel and shall be subject to availability, approval, and acceptance by BST. Only orders coordinated through BST's designated order channel and activated by BST will be eligible for payment of compensation. For purposes of this section, the term "activated" means that the service is installed and working for the customer.
2. Subject to applicable law, BST reserves the right at its sole discretion to deny credit or service to any customer, to require deposits, or to modify its credit terms as it deems appropriate, or in accordance with the rules and regulations approved by the Public Service Commission of the state in which this Agreement is to be performed. No compensation will be paid for rejected or non-activated orders.
3. Unless otherwise provided herein, once an order for Service has been submitted to BST by PROPERTY OWNER, all post sales activities such as installation, billing, repair, collections and ongoing account maintenance shall be the responsibility of BST.

C. Commissions

1. BST shall pay PROPERTY OWNER compensation at the rates and in accordance with the terms and conditions contained in Appendix B and, if applicable, in any applicable

sales and marketing program guidelines and materials. No commissions will be paid to PROPERTY OWNER for sales not made directly by the PROPERTY OWNER or its approved agents. BST reserves the right to recapture any or all of the commissions paid for sales of Service to a customer who disconnects such service ninety (90) days or less from initiation of Service, unless designated otherwise in Appendix B.

2. Sales commissions may not be earned by PROPERTY OWNER for sales of Service to PROPERTY OWNER for its or its employees' own use or for sales of Service to PROPERTY OWNER's affiliates for their employees' own use, unless the employee resides on a property listed in Appendix A.

VI. QUALITY OF SERVICE

PROPERTY OWNER agrees that at all times it will maintain a level of quality of service in marketing and selling Service to BST's customers that is satisfactory to BST, in accordance with reasonable standards promulgated by BST and then in effect, and will take and permit to be taken by BST all actions reasonably requested in order to ensure adequate opportunity for review of PROPERTY OWNER's performance by BST, including, but not limited to, periodic review and analysis by BST of the marketing and sales activities conducted by PROPERTY OWNER. Failure to maintain a level of quality satisfactory to BST may, at BST's option, result in termination of this Agreement as provided herein.

VII. ADVERTISING AND PROMOTION

At its sole cost and expense, BST shall supply PROPERTY OWNER from time to time with appropriate supplies of brochures, price lists, and other promotional material that BST may deem necessary to promote the sale of Service. PROPERTY OWNER shall use such information only for purposes consistent with this Agreement. Any unused portion of such material that becomes obsolete, outdated, or otherwise inapplicable, and any portion that may remain unused upon the termination of this Agreement, shall be promptly returned to BST or certified as destroyed. BST may, in its sole discretion, enter into advertising and promotional campaigns with PROPERTY OWNER under terms and conditions agreed to by the parties. Under no circumstances is BST obligated or required to advertise, market or promote for or on behalf of PROPERTY OWNER.

VIII. BST'S MARKS

A. Use of Marks

BST may from time to time provide a list of Names, Logos and Marks (collectively, the "Marks") which PROPERTY OWNER is authorized to use under this Agreement in conjunction with the sale of BST's Services. BST may periodically update the list of Marks. PROPERTY OWNER is authorized to use under this Agreement. The most current such list will always supersede any previously issued list. Such list will also be supplemented with rules and regulations pertaining to the Marks which PROPERTY OWNER agrees to follow. BST authorizes PROPERTY OWNER to use the Marks solely in conjunction with the advertising and sale of BST's Services bearing the Marks pursuant to the terms hereof. PROPERTY OWNER shall strictly comply with all graphic standards for the Marks which may be furnished from time to time and shall place appropriate trademark and service mark notices

relating to the Marks as instructed. All media advertising and printed material in which the Marks are used shall be submitted to BST for review in advance and shall not be distributed or used in any manner without the prior written approval of BST. Any use of the Marks that is not authorized herein or by an authorized representative of BST shall be strictly prohibited. Any use of the Marks which is inconsistent with the terms hereof shall, after notice and a reasonable opportunity to cure, be grounds for immediate termination of this Agreement. PROPERTY OWNER agrees and acknowledges that in the event such improper use does occur, in addition to all other rights and/or remedies BST may have under this Agreement, BST shall be entitled to seek all legal and equitable remedies as it deems appropriate. Any failure to select any of these remedies on any occasion shall not constitute a waiver of BST's rights under this paragraph.

B. Procedure On Termination

Upon the expiration, termination or cancellation of this Agreement, PROPERTY OWNER shall immediately cease all uses of the Marks and shall promptly return to BST or destroy all printed material and other tangible items bearing the Marks and shall certify same in writing to BST within thirty (30) days of the expiration, termination or cancellation date.

C. Limitation to U.S.

Services bearing the Marks are being marketed and sold by PROPERTY OWNER in designated areas in the United States only. These Services shall not be distributed by PROPERTY OWNER for sale in any other areas or in other countries without the prior written consent of BST.

D. No Interest In Marks

PROPERTY OWNER recognizes that nothing contained in this Agreement is intended as an assignment or grant to PROPERTY OWNER of any right, title or interest in or to the Marks or the goodwill attached thereto and that this Agreement does not convey the right to PROPERTY OWNER to grant sublicenses and is not assignable. No licenses or other intellectual property rights, express or implied, are granted by either party to the other, except as provided for in this Agreement. PROPERTY OWNER further recognizes that all use of the Marks by PROPERTY OWNER shall inure to the benefit of, and be on behalf of, BST and its parent, BellSouth Corporation. PROPERTY OWNER recognizes the validity of, and will do nothing inconsistent with, BellSouth Corporation's ownership of the Marks, and acknowledges that BST shall have the right to immediately terminate this Agreement in the event that, in BST's opinion, PROPERTY OWNER acts in a manner which would negatively impact the reputation of BellSouth Corporation or any of its affiliates or would infringe or dilute the value of any of the Marks.

IX. TERMINATION

- A.** Subject to all post termination provisions, this Agreement may be terminated without cause by either party at any time, immediately upon the giving of 30 days notice to the non-terminating party. Either party may terminate this Agreement for the other party's failure to comply with any of the terms of this Agreement, immediately upon notice to the non-terminating party.

- B.** Neither party possesses nor shall be deemed to possess any right of property in or incident to this Agreement, and the parties agree that any termination of this Agreement according to the formalities specified herein, and based on the conditions required by the provision under which such termination is effected, shall not constitute an unfair or abusive termination or create any liability of the terminating party to the terminated party not set forth in this Agreement.

X. PROTECTION PROVISIONS

A. Confidentiality/Nondisclosure

1. All information disclosed by BST to PROPERTY OWNER pursuant to this Agreement, including the details of this Agreement, other than such information as may be generally available to the public or the industry or as may be intended by BST to be disclosed by PROPERTY OWNER pursuant to Section V. hereof, is and will be disclosed to PROPERTY OWNER in confidence solely for PROPERTY OWNER's use in the conduct of its business as a Service representative. PROPERTY OWNER agrees that its obligations to maintain confidentiality of the information it has received under this Agreement shall continue for a period of one (1) year after the termination of this Agreement and then terminate, provided, however, that such obligation shall continue indefinitely as to any information exchanged which constitutes a trade secret under applicable law. Notwithstanding the above, PROPERTY OWNER may disclose information relating to this Agreement to financial institutions for financing purposes or to outside partners, so long as such parties are apprised of this and agree to be bound by these non-disclosure provisions.
2. PROPERTY OWNER shall take reasonable precautions, contractual and otherwise, reasonably calculated to prevent unauthorized disclosure or misuse of such information by any of its employees or by any other person having access to such information.
3. Within ninety (90) days after the expiration or the termination of this Agreement by either party for any reason, PROPERTY OWNER agrees promptly to return to BST, or to certify the destruction of, any physical or written records containing such information then in its possession, regardless of whether such physical or written records were prepared by PROPERTY OWNER or by BST. PROPERTY OWNER may retain such information it deems reasonably necessary for accounting, financial and other compliance purposes.
4. If PROPERTY OWNER is served with process to obtain such information, PROPERTY OWNER shall immediately notify BST which shall, in addition to PROPERTY OWNER's efforts, if any, have the right to seek to quash such process, or to take such other actions necessary to protect the confidentiality of the information.
5. PROPERTY OWNER hereby acknowledges and agrees that in the event of its breach of its obligations of confidentiality under Section X., BST's remedies at law may be inadequate and BST will be entitled to injunctive relief. Any information furnished or disclosed by PROPERTY OWNER to BST shall

not obligate BST to hold such information in confidence, unless marked thereon as "proprietary". In the event that any information is furnished or disclosed by PROPERTY OWNER to BST which is marked "proprietary" then the same rights, obligations, terms, and conditions set forth herein will apply to said information as applies to the information supplied by BST to PROPERTY OWNER.

B. Inventions and Patent Rights

PROPERTY OWNER shall not be deemed by anything contained in this Agreement or done pursuant to it to acquire any right, title or interest in or to any design, invention, improvement, process or system now or hereafter embodied in Service, whether or not such design, invention, improvement, process or system is patented or patentable under the law of any country.

XI. AMENDMENTS

The parties may amend this Agreement at any time. Such amendments shall be in writing effective thirty (30) days after the date of such writing or earlier if agreed upon by the parties. Notwithstanding the above, BST may amend Appendix B or the operating standards and guidelines from time to time as it deems appropriate. PROPERTY OWNER may terminate this Agreement within thirty (30) days of the date of notice of such amendment if PROPERTY OWNER does not desire to continue in the relationship as amended.

XII. MISCELLANEOUS

A. Successors in Interest

This Agreement, and all rights and obligations herein may be assigned or transferred by PROPERTY OWNER to a successor in interest, such as a home owners association, with BST's knowledge and consent. This Agreement may also be assigned by either party to any affiliate as defined in Section XII.B. of this Agreement. In the event this Agreement is assigned or otherwise transferred with BST's knowledge and written consent to a successor in interest, which will not be unreasonably withheld, such successor in interest shall take the Agreement subject to all preexisting terms, conditions and obligations applying thereto, and shall be required to sign an acknowledgment and consent form to that effect prior to any transfer. Failure to assign or transfer this Agreement pursuant to these provisions shall render any such attempted assignment or transfer void, and shall confer no rights on any subsequent party, and shall impose no future obligations on BST.

B. Affiliates

For the purpose of this Agreement, an "affiliate" of an entity shall mean any corporation or other business entity which owns or controls, is under common ownership or control with, or is owned or controlled by the first entity; and "control" shall mean the ownership of more than fifty percent of the voting stock or more than a fifty percent interest in the profits of any corporation or other business entity.

C. Notice and Other Communications

Every notice, consent, approval, or other communications required or contemplated by this Agreement to be sent to PROPERTY

OWNER may be by facsimile (fax) to the notified party's designated fax number, in a writing delivered in person or given by postage prepaid mail, addressed to:

Attention: [INSERT ADDRESS]

or at such other address as the intended recipient previously shall have designated by written notice to the other party. Every notice, consent, approval, or other communication required or contemplated by this Agreement to be sent to BST may be by fax to the notified party's designated fax number, or in a writing delivered in person or given by postage prepaid mail, addressed to:

Attention: MDU Marketing Manager
BellSouth Telecommunications, Inc.
Room 32F34
675 W. Peachtree St.
Atlanta, Georgia 30075

Attention: Indirect Sales Distribution Attorney
BellSouth Telecommunications, Inc.
Legal Department
Suite 4300
675 W. Peachtree St.
Atlanta, Georgia 30375

or at such other address as the intended recipient previously shall have designated by written notice to the other party. Where specifically required, notices shall be by certified or registered mail. Unless otherwise provided in this Agreement, notice by mail shall be effective on the date it is officially recorded as delivered by return receipt or equivalent, and in the absence of such record of delivery, it shall be presumed to have been delivered the fifth day, or next business day thereafter, after it was deposited in the mail. Notice by facsimile shall not be deemed effective until receipt by the notified party. Notice not given in writing shall be effective only if acknowledged in writing by a duly authorized officer or designated representative of the party to whom it was given.

D. Governing Law and Regulatory Changes

The validity, construction, and enforceability of this Agreement, as well as any causes of action arising out of the performance of this Agreement, whether sounding in contract or tort, shall be governed in all respects by the laws of the State of Georgia and of the United States. Venue shall be in the federal and state courts in the State of Georgia. BST may amend this Agreement to conform it to any requirement of such laws or regulations, provided that the PROPERTY OWNER shall have the right within thirty (30) days of receipt of notice of such amendment to terminate this Agreement. This Agreement may be immediately terminated by BST if BST becomes subject to any regulatory order from the Federal Communications Commission or other state or federal authority eliminating or substantially modifying the proposed Service marketing plans previously or hereafter instituted by BST.

E. Indemnification

Each party agrees to indemnify and hold harmless the other party and its shareholders, directors, officers, and employees from and against any and all fines, claims, demands, damages, actions, causes of action, lawsuits, punitive or exemplary damages, attorneys' fees,

arbitration actions, and other liabilities of every kind and nature by reason of any injury to or death or disease of any person, damages to or destruction or loss of any property or any other damages arising out of, resulting from, or in connection with (i) the performance or nonperformance of the obligations contemplated by this Agreement which is caused in whole or in substantial part by an act, omission, default, or negligence of the party or its employees, regardless of whether the party's liability would otherwise be limited to payments under state worker's compensation or similar laws, or (ii) the failure of the party to comply with any of the terms and conditions herein or the failure to conform to statutes, ordinances, or other regulations or requirements or any other governmental authority in connection with the performance of the obligations provided for in this Agreement, including actions brought by the party's employees under worker's compensation or similar laws; or (iii) any other act, omission, default, negligence or strict liability of the party or its employees; (iv) any liability arising from the misrepresentations of the party or its employees as to the terms, conditions or rates for Services or; (v) for any fraudulent or illegal activities by the party or its employees.

F. Liability Insurance

Throughout the Term of this Agreement, ALL PARTIES shall maintain COMMERCIAL GENERAL LIABILITY (CGL) including contractual liability. PROPERTY OWNER'S CGL policy shall be endorsed to show BST as an Additional Insured with respect to any work or services performed under this Agreement.

ALL PARTIES agree that within thirty (30) days of execution of this Agreement, each party will provide to the other, copies of insurance certificates or other evidence documenting those coverage's required hereto.

It is agreed that either PARTY may elect to self-insure against all or some of the risk associated with the scope of work contained in this Agreement if, upon request, said PARTY can provide clear and convincing evidence of its financial solvency and its ability to pay claims.

G. Severability

In the event any portion of this Agreement may be determined by any governmental body having jurisdiction hereover, or by any court of competent jurisdiction, to be unenforceable, the balance of the Agreement shall be severed therefrom and shall remain in full force and effect unless a failure of consideration would thereby result.

H. Captions

All section titles or captions contained in this Agreement are for convenience only and shall not be deemed a part of this Agreement.

I. Prohibited Relationships

PROPERTY OWNER warrants that no person or agency has been employed, retained, or directed to solicit or secure this Agreement upon an agreement or understanding for a commission percentage, brokerage, contingent fee, or other remuneration. The exchange or offering of any gift item, personal service entertainment of unusual hospitality ("gratuities") by either party of this Agreement to the other is expressly prohibited. This prohibition is equally applicable

to each party's officers, employees and immediate family members. BST may, by written notice to PROPERTY OWNER, terminate the right of PROPERTY OWNER to proceed under this Agreement if it is found by BST that gratuities are or have been offered or given by PROPERTY OWNER, its employees or immediate family members, to any employee of BST.

J. Licenses

No licenses, express or implied, under any patents are granted by BST to PROPERTY OWNER hereunder nor by PROPERTY OWNER to BST.

K. Survival of Obligations

Any respective obligations of the parties hereunder which by their nature would continue beyond the termination, cancellation or expiration of this Agreement shall survive such termination, cancellation or expiration. This includes, but is not limited to, obligations set forth in Sections III, IV, V, VIII, X and XII. E and G.

L. Incorporation of Appendices and Other Guidelines

Appendices A and B, referred to in this Agreement and attached hereto, are integral parts of this Agreement and all terms and conditions contained therein are fully incorporated herein by reference and PROPERTY OWNER agrees to be bound thereby. Also, any current or future operating standards or guidelines created by BST from time to time and shared with PROPERTY OWNER, are integral parts of this Agreement, and are hereby incorporated by reference herein.

M. Limitation of Actions

No action, regardless of its form, arising out of this Agreement, may be brought by either party more than two (2) years after the cause of action has arisen.

XIII. ENTIRE AGREEMENT

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

XIV. ACCEPTANCE DEADLINE

This Agreement shall be of no force and effect and the offer contained herein shall be withdrawn unless this Agreement is executed by PROPERTY OWNER on or before _____ 1998

BELLSOUTH TELECOMMUNICATIONS, INC.

[INSERT COMPANY]

BY: _____
(Signature)

BY: _____
(Signature)

NAME: _____
(Printed Name)

NAME: _____
(Printed Name)

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

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APPENDIX A

Authorized Marketing Areas

I. TERMS AND CONDITIONS

- A. PROPERTY OWNER shall conduct the marketing and sales activities outlined in this Agreement in the specific Authorized Marketing Area(s) as indicated below.
- B. Areas in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee where BST does not provide exchange services are not included in PROPERTY OWNER's Authorized Marketing Area and PROPERTY OWNER is not authorized to sell, or to attempt to sell, any Service in those areas, unless otherwise authorized by BST.
- C. BST reserves the right to accept or reject any proposed additions or amendments to Section II below.

II. AUTHORIZED MARKETING AREAS

PROPERTY OWNER shall conduct its permitted marketing and sales activities under this Agreement to residents or prospective residents at the following residential multiple dwelling unit locations:

<u>Name of Property</u>	<u>Address of Property</u>	<u>Number of Units</u>	<u>Exclusive Products Option*</u>
1. [INSERT]			
2.			

The Authorized Marketing Area(s) may be revised only upon the mutual written agreement of the parties. Such written agreement may take the form of an amendment to this Appendix A.II.

* The options below represent the products that will be sold in accordance with Appendix B.II(A), Exclusive Marketing Agreement.

- A. Local, long distance
- B. Local, long distance, cellular
- C. Local, long distance, cellular, internet
- D. Local, long distance, cellular, internet, video
- E. Local, long distance, cellular, video
- F. Local, long distance, internet
- G. Local, long distance, internet, video
- H. Local, long distance, video

APPENDIX B

I. SCOPE OF ACTIVITY

PROPERTY OWNER and BST agree that the following terms, conditions and obligations will apply to their respective marketing, sales and support activities subject to this Agreement. The obligations set forth below apply to the respective parties hereto and PROPERTY OWNER shall ensure that all of its duties and obligations are adhered to even if such activities are to be performed by a third party on behalf of the PROPERTY OWNER.

II. PROPERTY OWNER'S TERMS, CONDITIONS AND OBLIGATIONS

A. Exclusive Marketing Agreement

During the Term of this Agreement, or any extension thereof, PROPERTY OWNER agrees to market and sell BST's or its affiliates' local landline services (including vertical services), extended local calling area services, landline toll services (including BST interLATA toll services, when such service becomes available), mobile services, internet access services, and where available, video/cable services ("Service"), on an exclusive basis. This requirement means that PROPERTY OWNER will not market or sell any services that compete with the BST services, or market or sell any non-BST long distance service (even prior to the time that BST's interLATA toll services become available) for as long as this Agreement remains in force. In addition, PROPERTY OWNER agrees to comply with the Post-Termination Obligations contained in Section II. H. below.

BST's agreement to pay the commissions and other compensation set out in Section IV.B. below and to provide sales aids and support to PROPERTY OWNER and to provide training to PROPERTY OWNER's employees as set out in Section III.B. of this Appendix are expressly conditioned on PROPERTY OWNER's agreement to the provisions contained in the preceding paragraph. BST believes that only through selling the BST Service on an exclusive basis can PROPERTY OWNER devote its best efforts to and maximize its effectiveness in selling the BST Service. In addition, BST wants to ensure that the training and other selling assistance it provides with respect to the BST Service are used by PROPERTY OWNER to sell the BST Service and not any competing products or services.

B. Training

PROPERTY OWNER agrees to have all of its on site leasing and sales personnel that will be engaged in selling BST Service attend and complete the appropriate introductory training as well as any subsequent training relating to specific products and/or services or specified promotional offerings.

C. Sales and Marketing

PROPERTY OWNER will undertake all diligent and reasonable efforts to market and sell Service, in accordance with this Agreement, to every new resident of the properties identified in Appendix A or to new residents of any properties subsequently added to Appendix A. PROPERTY OWNER will also distribute BST provided "move-in" packages to residents who purchase BST Services from PROPERTY OWNER. In addition, PROPERTY OWNER will verbally promote the relationship between PROPERTY OWNER and BST and present BST sales and promotional material to potential residents in conjunction with the distribution of PROPERTY OWNER'S promotional and other materials. PROPERTY OWNER will, to the extent practicable, also proactively market BST Services to customers terminating their lease and to undertake all diligent and reasonable efforts to market and sell the departing resident Service for the resident's new address.

D. Orders

PROPERTY OWNER will solicit and submit orders for Service in the manner directed, and using the procedures outlined by BST in written operating standards and guidelines developed by BST and furnished to PROPERTY OWNER. PROPERTY OWNER warrants and represents to BST that any and all orders submitted by it to BST for Service, or other information received by it on behalf of a customer, shall be at the direction of and at the request of the present or prospective customer. Any service orders placed or customer information delivered by PROPERTY OWNER without authorization of the customer shall be a violation of this Agreement, and BST may terminate this Agreement immediately in the event of such a breach. BST may immediately disconnect any service not authorized by the customer, and BST shall be entitled to recapture any commissions paid to PROPERTY OWNER for any improperly ordered Service, and to the recovery of any and all costs, charges and administrative expenses incurred by BST in adjusting the customer's account.

E. Performance Objectives

PROPERTY OWNER agrees to a performance objective of selling and obtaining "New Service" orders for at least eighty percent (80%) of the orders received by BST at the properties subject to this Agreement. For purposes of this section, "New Service" shall mean the initiation of Basic Local Service or Complete Choice as referenced in section IV.B of this Appendix. Additional lines to existing BST customers living on the property will not count toward satisfying this performance objective. Continued failure to attain this performance objective, after notice and a reasonable opportunity to cure such performance deficiencies, shall be considered a material breach and shall be grounds for termination of this Agreement.

BST reserves the right to review PROPERTY OWNER'S selling history during any three (3) month period of the Term for the sole purpose of determining PROPERTY OWNER'S compliance with the performance objective.

F. Reporting and Record Keeping

PROPERTY OWNER shall accurately record and track Service sales made during the Term of this Agreement, and shall submit reports and other information to BST upon reasonable request for information related to PROPERTY OWNER's marketing and sales efforts.

G. Special Promotions

PROPERTY OWNER will participate in other mutually agreed upon joint BST promotional efforts and new product introductions to new and existing residents, consistent with this Agreement and with BST assistance. PROPERTY OWNER will allow BellSouth to advertise, market and promote BellSouth products and services via existing property newsletters or other forms of Property Owner-to-resident communications channels.

H. Post Termination Obligations

For one year after the termination of this Agreement by its general terms, by BST for cause, or by PROPERTY OWNER without cause, PROPERTY OWNER agrees not to market or sell any products or services that compete with the BST services sold by PROPERTY OWNER pursuant to Section IV.B of this Appendix to those customers to whom PROPERTY OWNER has sold any product or service pursuant to this Agreement, and for which it has received a commission pursuant to this Agreement. Notwithstanding the above, during the one year non-solicitation period, PROPERTY OWNER may solicit, market and sell non-BST products and services to new residents moving onto the locations covered after the date of termination.

I. Portfolio Commitment

During the Term of this Agreement, PROPERTY OWNER agrees to include all of its existing properties owned in DST territory in this Agreement, subject to all terms and conditions herein.

III. BST'S TERMS, CONDITIONS AND OBLIGATIONS

A. Marketing Support

BST will support PROPERTY OWNER'S marketing and sales activities under this Agreement, as further defined herein and in any applicable operational standards and guidelines that may exist from time to time.

B. Training

BST will conduct training for PROPERTY OWNER's on site leasing and sales personnel on Service to be sold under this Agreement. In addition, BST will conduct all necessary training for any new or additional product or service offerings, or for any mutually agreed upon special promotional offerings added from time to time during the Term of this Agreement. BST will be responsible for all direct expenses related to training materials and delivery of training to PROPERTY OWNER'S staff. Such training will be scheduled so that it will cause as little disruption to PROPERTY OWNER'S business operations as possible.

C. Operating Standards and Guidelines

BST shall furnish PROPERTY OWNER written operating standards and guidelines for PROPERTY OWNER's use in its marketing and sales activities. Such operating standards and guidelines shall be integral parts of this Agreement, and shall be incorporated herein by this reference as if they were specifically set forth and included herein. BST may amend this Appendix or the operating standards and guidelines from time to time as it deems appropriate. PROPERTY OWNER may terminate this Agreement within thirty (30) days of the date of notice of such amendment if PROPERTY OWNER does not desire to continue in the relationship as amended.

D. Orders and Post Sale Support

BST will receive and process all Service orders taken by PROPERTY OWNER for Services and shall be responsible for all post sales support for any such Services, including implementation of Service, ongoing customer account support, repair, billing & collection and maintenance of Service.

E. Reporting and Record Keeping

BST will monitor, track and record all applicable sales of Service made pursuant to this Agreement, and to the extent legally permitted, will make such data available to PROPERTY OWNER upon reasonable request.

F. Special Bonus Offers

BST may from time to time develop special bonus offers for PROPERTY OWNER and will provide PROPERTY OWNER with the specific terms and conditions relating to such bonus offers. BST may have one or more bonus offers active at any time during this Agreement, and may introduce and discontinue such bonus offers at its sole discretion.

G. Special Promotional Offers

BST may from time to time develop special promotional offers and make such offers available to PROPERTY OWNER to market and sell to residents. If PROPERTY OWNER agrees to participate in such special promotional offers, BST will provide PROPERTY OWNER with a complete marketing plan of action, including compensation applicable thereto, relating to such promotional offers. BST will notify PROPERTY OWNER as soon as practicable about the details of the promotional program including, but not limited to the duration of the promotion, details of the products and services to be offered, prices and other related details pertaining to the promotion. BST may have one or more promotional offers active at the same time during this Agreement.

H. Program Enhancements

BST will make subsequent program enhancements available to PROPERTY OWNER so long as all applicable terms, conditions and other requirements for receipt of such enhancements are met and expressly agreed upon by PROPERTY OWNER.

IV. COMPENSATION

BST will compensate PROPERTY OWNER for its successful marketing and sales efforts at the rates, and pursuant to the terms and conditions set forth below, and if applicable pursuant to any special promotional sales program guidelines and materials. BST reserves the right to recapture any or all of the commissions paid for sales of Service to a customer who disconnects such Service ninety (90) days or less from initiation of Service, unless designated otherwise below.

A. **ADVANCE COMMISSIONS** - In consideration of PROPERTY OWNER fulfilling the Term commitments required under this Agreement, advance commission amounts will be paid as follows:

1. **Initial Advance Commission** - An initial Advance Commission of _____ Dollars (\$ _____) shall be paid to PROPERTY OWNER. This amount is based on the number of residential dwelling units initially included in this Agreement that are occupied or ready for occupancy at the designated locations ("Qualified Residential Dwelling Units") listed on Appendix A at the time of execution of this Agreement multiplied by the unit fee shown in Paragraph 3. below. The fee will be calculated but at a number of qualifying units x unit fee shown in paragraph 3 below, and will be paid within 30 days of execution of this Agreement. For purposes of this Agreement, the Initial Advance Commission shall be calculated based upon _____ (_____) units.
2. **Annual Advance Commission** - Beginning on the first annual anniversary date of this Agreement, BST will pay PROPERTY OWNER an Annual Advance Commission based on the total number of Qualified Residential Dwelling Units then included in this Agreement multiplied by the unit fee shown in Paragraph 3. below. The fee will be calculated based on a number of qualifying units x the unit fee shown in paragraph 3, and will be paid within 30 days of each anniversary date.
3. **Advance Commission Schedule** - Advance Commission will be paid based on the following schedule:

At Contract Execution	\$	per unit	
At Each Anniversary Date	\$	per unit	
4. **Recapture Provision** - BST reserves the right to recapture any and all Initial or Annual Advance Commission payments if this entire Agreement is terminated without cause by PROPERTY OWNER or with cause by BST prior to the end of any applicable annual period. Recaptured commissions will be pro-rated from the date of payment to the time remaining in the annual period for which the Advance Commission has been paid, with accruals being accumulated on a completed monthly basis. If the Agreement is terminated prior to the end of any given month, no accrual credit will be earned for such month.

Example: Contract Execution Date of January 1, 1998, with an early termination date of August 5, 2000

January 1, 1998 - Initial Advance Commission paid for 10,000 units @ \$			
January 1, 1999 - Annual Advance Commission paid for 13,000 units @ \$			
January 1, 2000 - Annual Advance Commission paid for 20,000 units @ \$			
Monthly pro-rated amount for Year 2000	- \$	divided by 12	\$
Five uncompleted months at termination	- 5 months X \$		\$
Recaptured Advance Commission			\$

B. SERVICES AND COMMISSIONS FOR SALE

The services to be sold subject to this Agreement and the commissions for such sales are as follows:

BST Services

Exclusive Product Options (as referenced in Appendix A)

	A	B	C	D	E	F	G	H
Complete Choice								
Basic Local Service								
Memory Call***Service								
Caller ID Basic/Deluxe								
Call Waiting Basic/Deluxe								
BellSouth Cellular*								
BellSouth.net**								

Payment Schedule: BST will mail compensation payments to PROPERTY OWNER within 45 days, unless otherwise specified, after the end of each quarter, with the quarters ending March, June, September and December.

*For cellular service, BST will pay PROPERTY OWNER after the service is activated. BST will recapture paid commission if service is terminated before one hundred eighty (180) days.

**For BellSouth.net service, BST will pay PROPERTY OWNER after the service has been activated and in service for ninety (90) days.

***Registered service mark or service mark of BellSouth Corporation

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