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June 4, 2001

BY HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

010799-TP

Re: Resale Agreement Between Northeast and Source One Communications

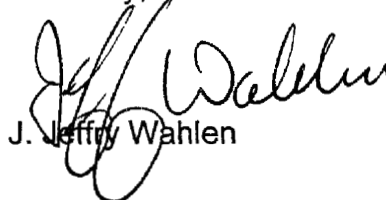
Dear Ms. Bayo:

Pursuant to Section 252 of the Telecommunications Act of 1996, enclosed for filing are the original and fifteen (15) copies of the above-referenced Resale Agreement between Northeast and Source One Communications.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,



J. Jeffrey Wahlen

Enclosures

cc: Debi Nobles w/encls.
John R. Jenkins, w/encls.

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DOCUMENT NUMBER-DATE

06930 JUN-4 2001

FPSC-RECORDS & REPORTING

RESALE AGREEMENT

dated as of 5/21/01

between

NORTHEAST FLORIDA TELEPHONE COMPANY, INC.

as Company

PL

AND

SOURCE ONE COMMUNICATIONS

as Reseller

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RESALE AGREEMENT

This **RESALE AGREEMENT** ("Agreement") is effective as provided herein, by and between NORTHEAST FLORIDA TELEPHONE COMPANY, INC., a Florida corporation ("Company"), and SOURCE ONE, a FLORIDA corporation ("Reseller") (collectively, Company and Reseller shall be referred to as the "Parties". "Party" shall be the singular reference to "Parties").

W I T N E S S E T H:

WHEREAS, the Company is an incumbent local exchange telecommunications company authorized to provide telecommunications services in the State of Florida; and

WHEREAS, Reseller is an alternative local exchange telecommunications company authorized to provide telecommunications services in the State of Florida;

WHEREAS, Reseller desires to resell the Company's telecommunications services under Section 251(c) (4) of the Federal Telecommunications Act of 1996; and

WHEREAS, the Company has agreed to provide such services to Reseller for "Resale" (as such term is defined in Section 3 below) purposes and pursuant to the terms and conditions set forth herein;

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

1. RECITATIONS.

1.1. Recitations.

The above recitations are true and correct and form a material part of this Agreement.

2. TERM OF THE AGREEMENT.

2.1. Term of the Agreement.

2.1.1. The Parties shall file this Agreement with the Florida Public Service Commission (the “FPSC”) as soon as practicable following its execution in accordance with the Federal Telecommunications Act of 1996 (the “Act”) and unless rejected by the FPSC, it shall become effective when approved by the FPSC or when deemed approved under the Act. Pending approval of this Agreement by the Commission, the Parties agree to perform in accordance with applicable Law and pursuant to the terms of this Agreement as soon as reasonably practicable after this Agreement has been executed by both parties.

2.1.2. The Parties agree to perform pursuant to the terms of this Agreement for a period of two (2) years from the effective date of this Agreement. This Agreement shall apply to all of the Company’s FPSC-certificated serving territory in the State of Florida as of the effective date of this Agreement.

2.1.3. Upon delivery of written notice at least one hundred sixty (160) days prior to the expiration of this Agreement, either Party may require negotiations of the rates, terms, and conditions of the resale arrangements to be effective upon such expiration. Unless deemed to be inconsistent with the Act, if the Parties are unable to satisfactorily negotiate such new terms within one hundred thirty five (135) days of commencing the negotiations, either Party may petition the FPSC to establish appropriate resale arrangements. In the event that the FPSC does not issue its order prior to the scheduled expiration date, the Parties agree that the rates, terms and conditions ultimately ordered by the FPSC or negotiated by the Parties will be effective retroactive to the expiration date. Until the revised resale arrangements become effective, the Parties shall continue to perform pursuant to the terms of this Agreement.

3. RATES.

3.1. Rates.

The rates by which Reseller is to purchase services from the Company for “Resale” (as such term is defined below) shall be the Company’s tariffed retail rate for the telecommunications service. For purposes of this Agreement, “Resale” shall mean an activity wherein an alternative local exchange telephone company (“ALEC”) certificated by the FPSC, such as Reseller, subscribes to the telecommunications services of the Company and then reoffers those telecommunications services to the public (with or without adding value).

4. GENERAL PROVISIONS.

4.1. General Provisions.

The following general provisions shall apply to this Agreement:

4.1.1. Reseller may resell the telecommunications services of the Company consistent with 47 U.S.C. § 251(b)(1) and appropriate regulatory mandates or constraints specified by the Federal Communications Commission ("FCC") or the FPSC. It is specifically understood that the services subject to resale under this Agreement does not include, by way of illustration and not limitation, the following: voice mail, inside wire installation and maintenance, customer premise equipment, Lifeline services or other similar government programs (underlying Telecommunications Service will be resold but Reseller must qualify its offering for these programs), promotions of less than ninety (90) days and Employee Concessions. It is also understood that this Agreement does not cover services offered by the Company's affiliates, such as, by way of illustration and not limitation, internet access, paging, interstate and interLATA long distance, and commercial mobile radio services (i.e., cellular and PCS).

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

4.1.3. Reseller will be the "Customer of Record" as defined below for all services purchased from the Company. Except as specified herein, the Company will take orders from, bill and receive payment from Reseller for all services. For purposes of this Agreement, "**Customer of Record**" shall mean the entity responsible for making application for service; requesting additions, rearrangements, maintenance or discontinuance of service; and for the payment in full of charges incurred such as non-recurring, monthly recurring, toll, directory assistance, etc. The procedures and provisions of the Company's Local Service Resale Guidelines as they exist as of the effective date of this Agreement and may be modified by the Company from time to time are hereby incorporated herein by reference.

4.1.4. Reseller will be the Company's single point of contact for all services purchased by Reseller from Company pursuant to this Agreement. The Company shall have no contact with the "End User" as such term is defined below except to the extent provided for herein. For purposes of this Agreement, "**End User**" shall mean the ultimate user of the telecommunications services.

4.1.5. The Company will continue to bill the End User for any services that the End User specifies it wishes to receive directly from the Company. The Parties acknowledge that each Party may enter into exclusive arrangements with End Users within the Company's service area. To the extent permitted by law, for such exclusive arrangements as may exist between a Party and an End User, each Party maintains the right to market, or bill for, its own telecommunications products and services, or otherwise serve directly any End User within the

Company's service area, and in doing so may establish independent relationships with End Users of the other Party.

4.1.6. If allowed by law, the Company may serve directly any End User within the service area of Reseller. The Company may continue to directly market its own telecommunications products and services and in doing so may establish independent relationships with End Users of Reseller.

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

4.1.8. Current telephone numbers may normally be retained by the End User. However, telephone numbers are the responsibility of the Company and are assigned to the service furnished. If an End User is delinquent or defaults on his or her account, and where such End User attempts to switch local exchange service providers, Reseller shall not undertake any action on such End User's behalf to maintain his or her then-current telephone number. Reseller has no right to the continuance of service through any particular central office. Consistent with Federal and State law, the Company reserves the right to change telephone numbers, or the central office designation associated with such numbers, or both, whenever the Company deems it necessary in its sole discretion to do so in the conduct of its business.

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

4.1.10. Service is furnished subject to the condition that it will not be used for any unlawful purpose. Service can be disconnected to End Users on an individual basis if services were used for unlawful purposes. Service can be disconnected to Reseller if the Reseller is found to have used services for unlawful purposes.

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

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

4.1.13. The Company accepts no responsibility to any person for any unlawful act committed by Reseller or its End Users as part of providing service to Reseller for purposes of Resale or otherwise.

4.1.14. The Company will cooperate fully with law enforcement agencies with subpoenas and court orders for assistance with the Company's customers. Law enforcement agency subpoenas and court orders regarding End Users of Reseller will be directed to Reseller. The Company will bill Reseller and the Reseller will pay the Company for any reasonable and customary costs incurred by the Company for implementing any requests by law enforcement agencies regarding Reseller End Users.

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

- (a) Interfere with or impair service over any facilities of the Company, its partners, or the affiliates of its partners, or the connecting and concurring carriers involved in its service;
- (b) Cause damage to their plant;
- (c) Impair the privacy of any communications; or
- (d) Create hazards to any employees or the public.

4.1.16. Reseller shall not enhance or supplement the Company's network with equipment or services that impairs or interferes with the Company's network operations.

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

4.1.18. White page directory listings for Reseller's End Users will be provided in accordance with regulations set forth in Section A6 of the Company's Florida General Exchange Tariff and will be available for Resale to the extent doing so is consistent with FCC and FPSC rulings.

4.1.19. The Company will provide "End User Customer Record Information" (as such term is defined below) to the Reseller provided the Reseller has the appropriate Letter(s) of Authorization from the End User. The form of the Letter(s) of Authorization shall be in accordance with the Company's Local Services Resale Guidelines ("**Resale Guidelines**"). The Company will provide End User Customer Record Information via U.S. mail or fax. For purposes of this Agreement, "**End User Customer Record Information**" shall mean certain End User customer information which may include, without limitation: (i) telephone number or other means of identification; (ii) listed name; (iii) listed address; (iv) directory listing information; (v) directory delivery information; (vi) billing names; (vii) billing address; (viii) service address; (ix) product and service information; (x) primary interexchange carrier ("**PIC**") and local primary interexchange carrier ("**LPIC**").

4.1.20. Reseller agrees to compensate the Company for all reasonable and customary costs incurred by the Company associated with providing such End User Customer Record Information to Reseller. Reseller will adopt and adhere to the Company's Resale Guidelines, as amended from time to time, for each method of providing End User Customer Record Information as set forth in the Company's Resale Guidelines, as amended from time to time.

5. COMPANY'S PROVISION OF SERVICES TO RESELLER.

5.1. Company's Provision of Services to Reseller.

Reseller agrees that its Resale of Company services shall be as follows:

5.1.1. The Resale of telecommunications services shall be subject to a restriction of cross class selling of residential and business services. This means that the Reseller shall not resell residential service to business customers and vice versa.

5.1.2. If telephone service is established and it is subsequently determined that cross class selling restrictions have been violated, Reseller will be notified and billing for that service will be immediately changed to the appropriate class of service. Service charges for changes between class of service, back billing, and interest as described in this subsection shall apply at the Company's sole discretion. Interest at the rate set forth in Section A2 of the Company's Florida General Exchange Tariff shall be assessed by the Company and compounded daily for the number of days from the back billing date to and including the date that Reseller actually makes the payment to the Company.

5.1.3. The Company reserves the right to periodically audit services purchased by Reseller to establish authenticity of use. The Company shall conduct such audit(s) within normal business hours and upon reasonable notice to Reseller. Such audit shall not occur more than once in a calendar year. Reseller shall make any and all records and data available to the Company or the Company's auditors on a reasonable basis. The Company shall bear the cost of said audit. Any and all information the Company develops during the course of any such audit shall be used solely and entirely for the purpose of the audit and the resolution of disputes pursuant to Section 16. Except as reasonably necessary for the resolution of a dispute under Section 16, such information shall not be disclosed to any other person without the express prior written consent of Reseller separate and apart from this Agreement and, in the absence of such written consent, such information shall be returned to Reseller within a reasonable period subsequent to the conclusion of the audit.

5.2. Consistency of Resold Services.

Resold services can only be used in a manner consistent with the Act and the effective rulings and regulations of the FCC and FPSC. Neither party waives its right to challenge any such rulings or regulations.

5.3. Resale Service Area.

Reseller may resell the Company's services only within the specific "Resale Service Area" (as such term is defined below) as defined in its certificate in the Company's service territory in the State of Florida. For purposes of this Agreement, "**Resale Service Area**" shall mean that certain area, as defined in Company's FPSC approved certificate of operation, within which an ALEC, such as Reseller, may offer resold local exchange telecommunications service.

5.4. Resale of Information.

Resale of information transmitted via calling service features is governed by Federal and State law.

6. MAINTENANCE OF SERVICES.

6.1. Maintenance of Services.

Notwithstanding anything herein to the contrary, maintenance of services hereunder shall be as established in accordance with the Company's Resale Guidelines, as amended from time to time, and as follows:

6.1.1. Services resold under the Company's Florida General Exchange Tariff and facilities and equipment provided by the Company shall be maintained by the Company.

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

6.1.3. Each Party shall notify the other Party of situations related to service disruption and/or degradation of service associated with network or technical functions.

6.1.4. Reseller will be the Company's single point of contact for all repair calls on behalf of Reseller's End Users. The Parties agree to provide one another with contact numbers for such purposes.

6.1.5. Reseller will contact the Company repair center in accordance with procedures established by the Company in its Resale Guidelines, as amended from time to time.

6.1.6. For all repair requests, Reseller accepts responsibility for adhering to the Company's prescreening guidelines in the Company's Resale Guidelines, as amended from time to time, prior to referring the trouble to the Company.

6.1.7. The Company will bill Reseller for handling troubles that are found not to be in the Company's network pursuant to its standard time and material charges. The standard time and material charges will be no more than what the Company charges to its retail customers for the same services.

6.1.8. The Company reserves the right to contact Reseller's customers, if deemed necessary, for maintenance purposes within the spirit of this Agreement.

7. ESTABLISHMENT OF SERVICE.

7.1. Establishment of Service.

Notwithstanding anything herein to the contrary, the establishment of service hereunder shall be as established in accordance with the Company's Resale Guidelines, as amended from time to time, and as follows:

7.1.1. Reseller will provide the Company's business office with the necessary documentation to enable the Company to establish a master account for Reseller. Such documentation shall include an application for master account, proof of authority to provide telecommunications services, an Operating Company Number ("OCN") assigned by the National Exchange Carrier Association ("NECA") and a tax exemption certificate, if applicable. When necessary "Deposit" (as such term is defined below) requirements are met, the Company will begin taking orders for the Resale of services. For purposes of this Agreement, "**Deposit**" shall mean assurance provided by the Reseller in the form of cash, surety bond or bank letter of credit to be held by the Company.

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

7.1.3. If the Company determines that an unauthorized change in local service to Reseller has occurred, the Company will reestablish service with the appropriate local service provider and will assess Reseller, as the ALEC initiating the unauthorized change, an unauthorized change charge of \$20.00 for each residential and business access line. In addition, appropriate nonrecurring charges as set forth in Section A4 of the Company's Florida General Exchange Tariff will be assessed to Reseller. Similarly, if Reseller determines that an unauthorized change of Reseller's End User to the Company has occurred, the Company will reestablish the End User's service with Reseller and will credit Reseller an amount equal to the above described charge. The Parties acknowledge that unauthorized changes to local service may occur in other circumstances, and the parties hereby reserve their respective rights to address such circumstances. These charges can be adjusted if Reseller provides satisfactory proof of authorization.

7.1.4. The Company will, in order to safeguard its interests, require Reseller to make a deposit to be held by the Company as a guarantee of the payment of rates and charges, unless satisfactory credit has already been established. Any such deposit may be held during the continuance of service as security for the payment of any and all amounts accruing for the service.

7.1.5. Such Deposit may not exceed two months' estimated billing.

7.1.6. The fact that a Deposit has been made by Reseller in no way relieves Reseller from complying with the Company's regulations as to advance payments and the prompt payment of bills on presentation nor does it constitute a waiver or modification of the

regular practices of the Company providing for the discontinuance of service for non-payment of any sums due the Company.

7.1.7. The Company reserves the right to increase the Deposit requirements when, in its sole and reasonable judgment, the conditions justify such action.

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

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

8. PAYMENT AND BILLING ARRANGEMENTS.

8.1. Payment and Billing Arrangements.

Notwithstanding anything herein to the contrary, payment and billing arrangements hereunder shall be as established in accordance with the Company's Resale Guidelines, as amended from time to time, and as follows:

8.1.1. Payment of all charges will be the responsibility of Reseller. Reseller shall make payment to the Company for all services billed. The Company is not responsible for payments not received by Reseller from Reseller's customer. The Company will not become involved in billing disputes that may arise between Reseller and its customers.

8.1.2. The Company will bill Reseller, monthly in advance, charges for all services to be provided during the ensuing billing period except charges associated with service usage, which charges will be billed in arrears. Charges will be calculated on an individual End User account level, including, if applicable, any charges for usage or usage allowances.

8.1.3. As the Customer of Record, the Company will also bill to Reseller, and Reseller will be responsible for and remit to the Company, all charges applicable to its resold services including, but not limited to, franchise fees, federal, state and/or local jurisdiction taxes, as well as any other charges of a similar nature, if any, in accordance with the Company's Resale Guidelines, as amended from time to time, and/or applicable law.

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

8.1.5. Payment by Reseller will be due and payable in accordance with the Company's Resale Guidelines, as amended from time to time, within thirty (30) days of the bill date and is payable in immediately available funds. Payment is considered to have been made

when received by the Company. If payment is not received by Company by the payment due date, a late payment charge, as set forth in Subsection 8.1.6 following, shall apply.

8.1.6. If any portion of the payment is received by the Company after the payment due date as set forth preceding, or if any portion of the payment is received by the Company in funds that are not immediately available to the Company, then a late payment charge shall be due to the Company. The late payment charge shall be the portion of the payment not received by the payment due date times a late factor of one and one half percent (1.5%) per month of the balance due, or the highest interest rate allowed by law, whichever is less, until the amount due is paid in full.

8.1.7. Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, the Company.

8.1.8. The Company will not perform any billing and collection services for Reseller as a result of the execution of this Agreement.

8.1.9. Pursuant to 47 CFR Section 51.617, the Company will bill and the Reseller shall pay the then current End User Common Line Charges ("EUCL") and any functionally equivalent charges authorized or required by the FPSC or FCC from time to time.

8.1.10. The Company will not become involved in disputes between Reseller and Reseller's End User customers over resold services. If a dispute does arise that cannot be settled without the involvement of the Company, Reseller may contact the Company's business office for assistance with resolution. The Company will make commercially reasonable efforts to assist in the resolution of the dispute and agrees in good faith to work with Reseller to resolve the matter in a reasonable amount of time. Reseller may be required to submit documentation to substantiate the claim.

9. DISCONTINUANCE OF SERVICE.

9.1. Discontinuance of Service.

Notwithstanding anything herein to the contrary, the procedures for discontinuing service to an End User hereunder shall be as established in accordance with the Company's Resale Guidelines, as amended from time to time, and as follows:

9.1.1. Where possible, the Company will deny service to Reseller's End User on behalf of and upon receipt of a written request from Reseller. Upon restoration of the End User's service, restoral charges will apply and will be the responsibility of Reseller.

9.1.2. Upon receipt of the written request of Reseller, the Company will disconnect a Reseller End User customer.

9.1.3. All requests by Reseller for denial or disconnection of an End User for nonpayment must be in writing.

9.1.4. Reseller will be made solely responsible for notifying the End User of the proposed disconnection of the service.

9.2. Procedures for Discontinuing Service.

Notwithstanding anything herein to the contrary, the procedures for discontinuing service to Reseller hereunder shall be as established in accordance with the Company's Resale Guidelines, as amended from time to time, and as follows:

9.2.1. The Company reserves the right to suspend or terminate service for nonpayment or in the event of prohibited, unlawful or improper use of the facilities or service, abuse of the facilities, or any other violation or noncompliance by Reseller of the rules and regulations of the Company's Florida General Exchange Tariff.

9.2.2. If payment of account by Reseller is not received by Company by the bill payment due date, the Company may provide written notice to Reseller that additional applications for service will be refused and that any pending orders for service will not be completed if payment is not received by the fifth day following the date of the notice. If the Company does not refuse additional applications for service on the date specified in the notice, and Reseller's noncompliance continues, nothing contained herein shall preclude the Company's right to refuse additional applications for service without further notice.

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

9.2.4. If Reseller fails to comply with the provisions of this Agreement, including any payments to be made by it on the dates and times herein specified, the Company may, on thirty (30) days' written notice to the person designated by Reseller to receive notices of noncompliance, discontinue the provision of existing services to Reseller at any time thereafter. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If the Company does not discontinue the provision of the services involved on the date specified in the thirty (30) days notice, and Reseller's noncompliance continues, nothing contained herein shall preclude the Company's right to discontinue the provision of the services to Reseller without further notice.

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

procedures. Reseller is solely responsible for notifying the End User of the proposed disconnection of the service.

9.2.6. If within fifteen (15) days after an End User's services have been denied no contact has been made in reference to restoring service, the End User's service will be disconnected.

10. AUDITS.

10.1. Audits.

Each Party will keep adequate records of all collection, payments and other transactions under this Agreement. Upon thirty (30) days prior written notice, either Party may request an audit of the usage reports or billing data supplied by the other Party hereunder and any such audit shall be accomplished during normal business hours at the office designated by the Party being audited. Audit requests shall not be submitted more frequently than one (1) time per calendar year. Audits may be performed by a mutually acceptable independent auditor paid for by the Party requesting the audit. A request for an audit must be received within one (1) year of receipt of the records or usage reports from the audited Party. Auditors hereunder shall not be compensated on a contingent fee basis.

11. REPRESENTATIONS AND WARRANTIES.

11.1. Company's Representations.

Company represents and warrants to Reseller the following:

11.1.1. Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and is authorized to transact business and holds a certain Certificate of Public Convenience and Necessity from the FPSC in the State of Florida.

11.1.2. Company, and the undersigned signatory executing this Agreement on behalf of Company are duly authorized and empowered to enter into this Agreement with Reseller.

11.1.3. To the best of the undersigned's actual knowledge on behalf of Company, neither the entering into of this Agreement nor the performance or satisfaction by Company of its obligations and liabilities hereunder nor the exercise by Company of any of its rights or options hereunder will constitute or result in a violation or breach by Company of any judgment, order, writ, injunction or decree issued against or imposed upon it, or to the best of the undersigned's actual knowledge on behalf of Company will result in a violation of any applicable Law.

11.1.4. To the best of the undersigned's actual knowledge and belief on behalf of Company, there is no action, suit, proceeding or investigation pending or threatened, which would prevent, impair or which questions the validity or enforceability of this Agreement or any

action taken pursuant hereto in any court or before or by any federal, district, county, or municipal department, commission, board, bureau, agency or other governmental instrumentality.

11.1.5. Except as provided in subsection 2.1.1 of this Agreement, no further approval, consent, order or authorization of, or designation, registration or filing with, the United States and any state, county, city or political subdivision thereof, and any board, bureau, council, commission, department, agency, court, legislative body or other instrumentality of the United States or any state, county, city or political subdivision thereof (collectively, "**Governmental Authority**"), is required in connection with the due and valid execution and delivery of this Agreement and compliance with the provisions hereof by Company.

11.1.6. Company shall perform its obligations hereunder using reasonable care.

11.2. Reseller's Representations.

Reseller represents and warrants to Company the following:

11.2.1. Reseller is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and is authorized to transact business in the State of Florida.

11.2.2. Reseller, and the undersigned signatory executing this Agreement on behalf of Reseller are duly authorized and empowered to enter into this Agreement with Company.

11.2.3. To the best of the undersigned's actual knowledge on behalf of Reseller, neither the entering into of this Agreement nor the performance or satisfaction by Reseller of its obligations and liabilities hereunder nor the exercise by Reseller of any of its rights or options hereunder will constitute or result in a violation or breach by Reseller of any judgment, order, writ, injunction or decree issued against or imposed upon it, or to the best of the undersigned's actual knowledge on behalf of Reseller will result in a violation of any applicable Law.

11.2.4. To the best of the undersigned's actual knowledge and belief on behalf of Reseller, there is no action, suit, proceeding or investigation pending or threatened, which would prevent, impair or which questions the validity or enforceability of this Agreement or any action taken pursuant hereto in any court or before or by any federal, district, county, or municipal department, commission, board, bureau, agency or other governmental instrumentality.

11.2.5. Except as provided in subsection 2.1.1 of this Agreement, no further approval, consent, order or authorization of, or designation, registration or filing with, any Governmental Authority is required in connection with the due and valid execution and delivery of this Agreement and compliance with the provisions hereof by Reseller.

11.2.6. Reseller shall perform its obligations hereunder using reasonable care.

12. LIMITATIONS OF LIABILITY AND INDEMNIFICATIONS.

12.1. Limitations of Liability and Indemnifications.

The Parties agree that the following limitations of liability and indemnifications shall apply:

12.1.1. Except for the willful misconduct or gross negligence of either Party hereto, neither Company nor Reseller will be liable to the other for either Party's indirect, incidental, special or consequential damages (including, but not limited to, lost profits) arising, in whole or in part, from either Party's actions, omissions, mistakes, or negligence relating to performance under this Agreement (including, but not limited to, breaches of this Agreement).

12.1.2. Neither Party shall be liable for any act or omission of another telecommunications company providing a portion of the services provided under this Agreement.

12.1.3. Each Party assumes no liability for the accuracy of data provided by a third party and each Party agrees to indemnify and hold harmless the other Party for any third party claim, action, cause of action, damage, or injury that might result from the supply of inaccurate data in conjunction with the provision of any service provided pursuant to this Agreement or as a result of the furnishing of service hereunder.

12.1.4. Company shall indemnify and hold harmless Reseller, its "Affiliates" and the respective officers, directors, employees and agents of each from all liabilities, damages, costs and expenses (including reasonable counsel fees) incurred in connection with any claim arising out of Company's breach of any representation, warranty or obligation hereunder. For purposes of this Agreement, "Affiliates" shall mean as to any entity, any other entity which is controlled by, controls, or is under common control with such entity. The term "**control**" in this definition (including, the terms "controlled", "controlled by" and "under common control with") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity. The term "Affiliates" shall be the plural reference to "Affiliate".

12.1.5. Reseller shall indemnify and hold harmless Company, its "Affiliates", and the respective officers, directors, employees and agents of each from all liabilities, damages, costs and expenses (including reasonable counsel fees) incurred in connection with any claim arising out of Reseller's breach of any representation, warranty or obligation hereunder.

12.1.6. Reseller accepts responsibility for providing access for maintenance purposes of any services resold under the provisions of this Agreement. The Company shall not be responsible for any failure on the part of Reseller with respect to any End User of Reseller.

12.1.7. The Indemnified Parties shall be indemnified, defended and held harmless by Reseller and/or the End User against any claim, loss or damage arising from the use of services offered for Resale involving (i) claims for libel, slander, invasion of privacy or

infringement of copyright arising from Reseller's or End User's communications; (ii) claims for patent infringement arising from acts combining or using Company services in connection with facilities or equipment furnished by the End User or Reseller; and (iii) all other claims arising out of an act or omission of Reseller or its End User in the course of using services.

12.1.8. The Party seeking indemnification under this Agreement (the "**Indemnified Party**") shall give notice to the Party required to provide indemnification hereunder (the "**Indemnifying Party**") promptly after the Indemnified Party has actual knowledge of any claim as to which indemnity may be sought hereunder. The Indemnified Party shall permit the Indemnifying Party (at the Indemnifying Party's expense) to assume the defense of any claim or litigation resulting therefrom; provided, that: (i) counsel for the Indemnifying Party who shall conduct the defense of such claim or litigation shall be reasonably satisfactory to the Indemnified Party; (ii) the Indemnified Party may participate in such defense, but only at the Indemnified Party's own cost and expense; and (iii) the omission by the Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its indemnification obligations hereunder except to the extent that such omission results in a failure of actual notice to the Indemnifying Party and the Indemnifying Party is damaged as a result of such failure to give notice.

12.1.9. The Indemnifying Party shall not, except with the consent of the Indemnified Party, consent to entry of any judgment or administrative order or enter into any settlement that: (i) could affect the intellectual property rights of the Indemnified Party; or (ii) does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnified Party of a release from all liability with respect to such claim or litigation.

12.1.10. In the event that the Indemnified Party shall reasonably and in good faith determine that the conduct of the defense of any claim subject to the indemnification hereunder or any proposed settlement of any such claim by the Indemnifying Party might be expected to affect adversely the Indemnified Party's intellectual property rights or ability to conduct future business, the Indemnified Party shall have the right at all times to take over and assume control over the defense, settlement negotiations or lawsuit relating to any such claim at the sole cost and expense of the Indemnifying Party; provided that if the Indemnified Party does so take over and assume control, the amount of the indemnity required to be paid by the Indemnifying Party shall be limited to the amount which the Indemnifying Party is able to demonstrate that it could have settled the matter for immediately prior to the time of such assumption.

12.1.11. In the event that the Indemnifying Party does not accept the defense of any matter as above provided, the Indemnified Party shall have the full right to defend against any such claim or demand, and shall be entitled to settle or agree to pay in full such claim or demand, in its sole discretion without waiving its right to indemnification hereunder.

12.1.12. The provision of this Article 12 shall survive the expiration or sooner termination of this Agreement.

13. ASSIGNMENT AND BINDING EFFECT.

13.1. Assignment and Binding Effect.

Neither Party may assign, transfer, or sublease (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to any third party (including, a partner, corporate Affiliate or an entity under its common control or an entity acquiring all or substantially all of its operations, assets or equity in Florida) without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Any attempted assignment or transfer not permitted under this Agreement shall be void ab initio. Without limiting the foregoing, with respect to any approved assignment, transfer and/or sublease hereunder, the assignor, transferor, and/or sublessor, as the case may be, shall be released from the right, duties and obligations in this Agreement and such rights, duties and obligations shall extend to, be binding upon and inure to the benefit of such assignee, transferee and/or sublessee, as the case may be.

14. RIGHTS CUMULATIVE.

14.1. Rights Cumulative.

All rights, remedies, powers and privileges conferred under this Agreement on the Parties shall be cumulative of and in addition to, but not restrictive of or in lieu of, those conferred by Law.

15. CONFIDENTIALITY OF PROPRIETARY DATA.

15.1. Confidentiality of Proprietary Data.

The Parties agree that that it may be necessary to exchange certain confidential information during the term of this Agreement including, without limitation, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data and similar information (collectively, "**Confidential Information**"). The Confidential Information shall either be in writing or other tangible forms and clearly marked with a confidential, private or proprietary legend (except for all information reviewed pursuant to Article 10 which shall be protected hereunder, whether or not so marked) or when the Confidential information is communicated orally, it shall also be communicated that the Information is confidential, private or proprietary. The Confidential Information shall be returned to the owner within a reasonable time. Except as otherwise required by Law or the rules of the FPSC, Company and Reseller agree not to disclose Confidential Information to any third party other than to their respective directors, officers, employees and agents and advisors (including, legal, financial and accounting advisors) as needed to effectuate this Agreement. If Confidential information must be produced to the FPSC, it shall be provided pursuant to the FPSC's rule regarding confidential information.

16. DEFAULTS OR VIOLATIONS.

16.1. Defaults or Violations.

If disputes arise with regard to this Agreement or its Attachments during the term of this Agreement, the dispute resolution process established by the FPSC shall apply and the resolution resulting from that process shall be binding on the Parties.

17. LIMITATION OF USE.

17.1. Limitation of Use.

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

18. NO WAIVER.

18.1. No Waiver.

No release, discharge or waiver of any provision hereof shall be enforceable against or binding upon either Party unless in writing and executed by the other Party as the case may be. Neither the failure of either Party to insist upon a strict performance of any of the agreements, terms, covenants and conditions hereof, nor the acceptance of any payments from either Party with knowledge of a breach of this Agreement by the other Party in the performance of its obligations hereunder, shall be deemed a waiver of any rights or remedies that Company or Reseller may have or a waiver of any subsequent breach or default in any of such agreement, terms, covenants and conditions.

19. ARM'S LENGTH NEGOTIATIONS.

19.1. Arm's Length Negotiations.

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

20. RESALE TARIFF.

20.1. Resale Tariff.

In the event that after the effective date of this Agreement, the Company files and subsequently receives approval for one or more intrastate tariffs (each hereinafter referred to as a "**Resale Tariff**") offering to provide within the State of Florida any of the arrangements covered by this Agreement upon other terms, then upon such Resale Tariff becoming effective, the

Company shall be deemed thereby to have offered such arrangements to Reseller upon such other terms, which Reseller may accept. In the event that Reseller accepts such offer, such other terms shall be effective between the Company and Reseller as of the date on which Reseller accepts such offer in writing.

20.2. FCC/FPSC Order.

In the event that after the effective date of this Agreement the FCC or the FPSC enters an order finding any term or provision of this Agreement between the Company and Reseller, or any substantially similar term or provision between the Company and any other local exchange provider, unlawful or otherwise in contravention of federal law, rule or policy, then upon such order becoming final and not subject to further administrative or judicial review, the Parties shall negotiate promptly and in good faith to amend the Agreement to substitute contract provisions that are consistent with such order.

21. NOTICES.

21.1. Notices Requirements.

Any notice, demand, request, offer, consent, approval or communication to be provided under this Agreement shall be in writing and shall be deemed received: (i) two (2) business days after it is deposited, postage prepaid, in the United States mail, certified or registered mail with a return receipt requested, addressed (as the case may be) to Company at Company's address shown herein, or to Reseller at Reseller's address shown herein; (ii) the next day after it is deposited with a nationally recognized and reputable air courier addressed (as the case may be) to Company at Company's address shown herein, or to Reseller at Reseller's address shown herein; or (iii) the same day it is personally delivered (as the case may be) to Company at Company's address shown herein, or to Reseller at Reseller's address shown herein.

21.2. Notices Addresses.

Notices addresses for the Parties are set forth as follows:

If to Company: Northeast Florida Telephone Company, Inc.
283 East Shuey Avenue
P. O. Box 544
Macclenny, FL 32063-0544
Attention: Deborah Nobles

With a copy to: J. Jeffry Wahlen, Esquire
Ausley & McMullen
P. O. Box 391
Tallahassee, FL 32302

If to Reseller: SOURCE ONE COMMUNICATIONS
2320B N. MONROE ST
TALLAHASSEE, FL 32303
ATTENTION: BRAD BURNS

With a copy to: JOHN R. JENKINS, P.A.
2548 BLAIRSTONE PINES DR.
TALLAHASSEE, FL 32301

21.3. Different Address.

Either Party may designate a different representative and/or address for receiving notice hereunder by giving thirty (30) days prior written notice to the other Party in accordance with the provisions hereof.

21.4. Refusal of Notice.

If any notice is tendered and is refused by the intended recipient, such notice shall, nonetheless, be considered to have been given and shall be effective as of the date provided herein.

22. ACCORD AND SATISFACTION.

22.1. Accord and Satisfaction.

Payment by either Party, or receipt or acceptance by a receiving Party hereto, of any payment due hereunder in an amount less than the amount required to be paid hereunder shall not be deemed an accord and satisfaction, or a waiver by the receiving Party of its right to receive and recover the full amount of such payment due hereunder, notwithstanding any statement to the contrary on any check or payment or on any letter accompanying such check or payment. The receiving Party may accept such check or payment without prejudice to the receiving Party's right to recover the balance of such payment due hereunder or to pursue any other legal or equitable remedy provided in this Agreement.

23. PROMOTIONS.

23.1. Company's Promotions.

Except as specifically permitted by Company in this Agreement, Reseller shall acquire no right under this Agreement to use, and shall not use, the name of "Northeast Florida Telephone Company" or "NEFCOM" (either alone or in conjunction with or as a part of any other word, mark or name) or any marks, fanciful characters or designs of Company or any of its related,

Affiliated or subsidiary companies, in any of its advertising, publicity or promotion; to express or imply any endorsement by Company of its services; or in any other manner whatsoever (whether or not similar to the uses hereinabove specifically prohibited). Company reserves the right to approve or disapprove, in its sole discretion, any advertising and promotional materials to be used on, within, in conjunction with, or in any way mentioning advertising or promoting Reseller's business with respect to Company's systems. This Section 23 shall survive the expiration or sooner termination of this Agreement.

23.2. Reseller's Promotions.

Except as specifically permitted by Reseller in this Agreement, Company shall acquire no right under this Agreement to use, and shall not use, the name of "Southeastern Services, Inc." (either alone or in conjunction with or as a part of any other word, mark or name) or any marks, fanciful characters or designs of Reseller or any of its related, Affiliated or subsidiary companies, in any of its advertising, publicity or promotion; to express or imply any endorsement by Reseller of its services; or in any other manner whatsoever (whether or not similar to the uses hereinabove specifically prohibited). Reseller reserves the right to approve or disapprove, in its sole discretion, any advertising and promotional materials to be used on, within, in conjunction with, or in any way mentioning advertising or promoting Company's business with respect to Reseller's systems. This Section 23 shall survive the expiration or sooner termination of this Agreement.

24. AGREEMENT DOES NOT BENEFIT NON-PARTIES.

24.1. Agreement Does Not Benefit Non-Parties.

In entering into, and in performing under, this Agreement, the Parties do not intend to benefit in any way, any person who is not one of the two Parties to this Agreement. This Agreement does not enlarge, add to, or change, in any way, any rights of any non-parties which would exist if this Agreement did not exist.

25. FORCE MAJEURE.

25.1. Force Majeure.

Except as otherwise expressly provided in this Agreement, and except with respect to any failure to pay any sum due hereunder as a result of the bankruptcy, insolvency or refusal or inability to pay, if either Party shall be delayed or hindered in whole or in part, or prevented from, the performance of any non-monetary covenant or obligation hereunder as a result of acts of God, fire or other casualty, earthquake, hurricane, flood, epidemic, landslide, enemy act, war, riot, intervention by civil or military authorities of government, insurrection or other civil commotion, general unavailability of certain materials, strikes, boycotts, lockouts, labor disputes or work stoppage beyond the control of either Party hereto, then the performance of such covenant or obligation, shall be excused for the period of such delay, hindrance or prevention and

the period of the performance of such covenant or obligation shall be extended by the number of days equivalent to the number of days of such delay, hindrance or prevention.

26. SEVERABILITY.

26.1. Severability.

If any clause or provision of this Agreement is illegal, invalid or unenforceable under applicable present or future Laws effective during the term of this Agreement, the remainder of this Agreement shall not be affected. In lieu of each clause or provision of this Agreement which is illegal, invalid or unenforceable, there shall be added as a part of this Agreement a clause or provision as nearly identical as may be possible and as may be legal, valid and enforceable. Notwithstanding the foregoing, in the event any clause or provision of this Agreement is illegal, invalid or unenforceable as aforesaid and the effect of such illegality, invalidity or unenforceability is that either Party no longer has the substantial and material benefit of its bargain under this Agreement, then, in such event, such Party may, in its discretion, request good faith renegotiation with the other Party of such illegal, invalid or unenforceable provision. If the Parties do not reach agreement on such provision within 30 days of the date of such request, either Party may cancel and terminate this Agreement (if allowable by applicable law) upon providing reasonable advance written notice thereof to the other Party.

27. GOVERNING LAW.

27.1. Governing Law.

This Agreement shall be governed by, construed under, interpreted and enforced in accordance with the laws of the State of Florida, and, where applicable, the laws of the United States of America.

28. FORUM AND VENUE FOR LEGAL PROCEEDINGS.

28.1. Forum and Venue for Legal Proceedings.

Any legal proceeding of any nature brought by either Party against the other to enforce any right or obligation under this Agreement, or arising out of any matter pertaining to this Agreement, shall be submitted exclusively for trial, before the Circuit Court for Baker County, Florida; or if such court shall not have jurisdiction, then before any other court or administrative body sitting in the State of Florida having subject matter jurisdiction. The Parties consent and submit to the exclusive jurisdiction of any such court and agree to accept service of process outside the State of Florida in any matter to be submitted to any such court pursuant hereto.

29. RELATIONSHIP DISCLAIMER.

29.1. Relationship Disclaimer.

The Parties hereby acknowledge that it is not their intention to create between themselves a partnership, joint venture, fiduciary, employment or agency relationship for the purposes of this Agreement, or for any other purpose whatsoever. Accordingly, notwithstanding any expressions or provisions contained herein or in any other document, nothing in this Agreement or in any documents executed or delivered or to be executed or delivered shall be construed or deemed to create, or to express an intent to create, a partnership, joint venture, fiduciary, employment or agency relationship of any kind or nature whatsoever between the Parties hereto.

29.2. Construction of Agreement.

This Agreement has been fully reviewed and negotiated by the Parties hereto and their respective counsel. Accordingly, in interpreting this Agreement, no weight shall be placed upon which Party hereto or its counsel drafted the provisions being interpreted.

30. ENTIRE AGREEMENT; NO OFFER.

30.1. Entire Agreement; No Offer.

This Agreement and the Company's Resale Guidelines, as amended from time to time, contain the entire Agreement of Company and Reseller with respect to the subject matter hereof, and no representations, warranties, inducements, promises or agreements, oral or otherwise, between the Parties not embodied in this Agreement shall be of any force or effect. In the event of any conflict between the terms and conditions of this Agreement and those of the Company's Resale Guidelines, as amended from time to time, those terms and conditions of this Agreement shall govern. This Agreement shall be modified only by a written agreement executed by both Parties with the same formalities as this Agreement. All prior agreements or communications that are the subject matter of this Agreement are and shall be merged into this Agreement and shall have no force or effect. Neither any submission of this Agreement by one Party to the other, nor any correspondence or other communications between the Parties in connection therewith, is intended or shall be deemed to constitute an offer of any kind or to create any obligations between the Parties unless and until one or more duplicates of this Agreement has been fully executed and delivered between the Parties. Accordingly, any such submission, communications or correspondence between the Parties or their respective agents or attorneys is intended only as non-binding discussions prior to such execution, and either Party shall have the absolute right to withdraw from such discussions without any liability whatsoever to the other Party prior to such execution.

31. COUNTERPARTS.

31.1. Counterparts.

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

32. EXECUTION.

32.1. Execution.

Company and Reseller hereby authorize and execute this Agreement.

COMPANY:

**NORTHEAST FLORIDA
TELEPHONE COMPANY, INC.**

By: Deborah Nobles

Name: Deborah Nobles

Title: VP - Regulatory Affairs

Date: 5/29/01

RESELLER:

SOURCE ONE COMMUNICATIONS

By: William B. Burns

Name: WILLIAM B. BURNS

Title: COO

Date: 5/21/01