



Agreement No. CGA967076
Page 1 of 6

GENERAL AGREEMENT FOR SUPPORT SERVICES

Between

Southwestern Bell Telephone Company ("Seller")
One Bell Center
St. Louis, Missouri 63101

MO 2476



and

Southwestern Bell Communications Services, Inc. ("Buyer")
130 East Travis, Suite 550
San Antonio, Texas 78205

INDEX

<u>CLAUSE</u>	<u>PAGE</u>
1. TERM OF AGREEMENT	2
2. SUPPORT SERVICES	2
3. CHARGES	2
4. BILLING AND PAYMENT	2
5. COMPLIANCE WITH LAWS	3
6. INSTRUCTIONS AND MANUALS	3
7. USE OF INFORMATION	3
8. ASSIGNMENT	3
9. BREACH OF AGREEMENT	3
10. CHOICE OF LAW	3
11. DISCLAIMER OF WARRANTIES	4
12. FORCE MAJEURE	4
13. LIMITATIONS OF LIABILITY	4
14. NON-WAIVER	4
15. MODIFICATION TO CONFORM TO LAW	4
16. NON-EXCLUSIVE DEALING	5
17. NOTICES	5
18. PUBLICITY	5
19. RELEASES VOID	5
20. SEVERABILITY	5
21. SURVIVAL OF OBLIGATIONS	6
22. TARIFFED SERVICES	6
23. TAXES	6
24. TERMINATION	6
25. ENTIRE AGREEMENT	6

APPENDIX A - SUPPORT SERVICE ORDER ("SSO")

RESTRICTED - PROPRIETARY INFORMATION

The information contained herein is for use by authorized employees of the parties hereto and is not for general distribution within or outside their respective companies.

 **Southwestern Bell Telephone**

Agreement No. CGA967076

Page 2 of 6

GENERAL AGREEMENT FOR SUPPORT SERVICES

It is hereby agreed between SOUTHWESTERN BELL TELEPHONE COMPANY, a Missouri corporation ("Seller"), having its principal place of business at One Bell Center, St. Louis, Missouri 63101, and Southwestern Bell Communications Services, Inc. ("Buyer"), a Delaware corporation ("Buyer"), having its principal place of business at 130 East Travis, San Antonio, Texas 78205, as follows:

CLAUSE 1. TERM OF AGREEMENT

This General Agreement for SUPPORT SERVICES, defined below, (the "Agreement") will become effective as of the 1st day of May, 1996, and will continue in effect unless terminated in accordance with the provisions hereof.

CLAUSE 2. SUPPORT SERVICES

"SUPPORT SERVICES" shall mean administrative services, including the use of Seller's data processing facilities, technical personnel and other employees to provide such SUPPORT SERVICES and all other services agreed to be made available by Seller at any time during the term hereof as described in SUPPORT SERVICE Orders ("SSOs") hereafter executed by authorized representatives of the parties from time to time and thereafter attached to and made a part hereof. **HOWEVER, SUPPORT SERVICES SHALL NOT INCLUDE COMPUTER SOFTWARE; COMPUTER SOFTWARE MAY NOT BE LICENSED FOR USE AT BUYER SITES UNDER THIS AGREEMENT OR ANY SSO.**

When Buyer desires Seller to perform SUPPORT SERVICES, Buyer will request Seller to prepare an SSO. Each SO will be substantially in the form of Appendix A, attached hereto and incorporated herein.

The SUPPORT SERVICES described in a particular SSO together with the terms herein is hereafter collectively referred to as the "Project". Each SSO will describe the SUPPORT SERVICES to be performed; the term of the SSO; a Project billing identification number; the billing terms and cost therefor and any special terms applicable to the Project.

CLAUSE 3. CHARGES

Charges for SUPPORT SERVICES shall be in accordance with the charges set forth in each SSO, plus any tariff charges that may now or hereafter apply, including but not limited to exchange access, switched access, special access or private line.

The charges set forth in each SSO may be amended by Seller once each year. Seller will notify Buyer in writing, at least one hundred twenty (120) days in advance, of such charge changes. Notwithstanding any other provision herein or in any SSO or Addenda hereto, all charges of any kind for Seller's SUPPORT SERVICES shall be in accordance with the affiliate transaction rules adopted by the Federal Communications Commission ("FCC") presently in 47 C.F.R. Section 32.27, as the same may be amended from time to time.

CLAUSE 4. BILLING AND PAYMENT

Billing for SUPPORT SERVICES shall be rendered in accordance with the terms of the SSO. All payments will be made payable to "Southwestern Bell Telephone Company" and mailed to Seller's address listed on the invoice.

RESTRICTED - PROPRIETARY INFORMATION

The information contained herein is for use by authorized employees of the parties hereto and is not for general distribution within or outside their respective companies.



Agreement No. CGA967076

Page 3 of 6

CLAUSE 5. COMPLIANCE WITH LAWS

Both parties agree that they will comply with the provisions of the Fair Labor Standards Act of 1938, as amended, and all other applicable federal and state laws, rules, regulations, and codes with which they are obligated to comply in the performance of this Agreement, including the procurement of permits and certificates where needed. Both parties further agree not to discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age or handicap. Either party shall not be obligated to pay any of the other's costs or expenses in the event that the other shall fail to comply with such laws.

All employees or agents of a party engaged in the performance of this Agreement shall be considered solely the employees or agents of that party, and shall not be considered employees or agents of the other for any purpose whatsoever.

CLAUSE 6. INSTRUCTIONS AND MANUALS

Seller, where applicable, will provide to Buyer, at no charge to Buyer, one (1) copy of any user's instructions or manual listed in SSOs.

Buyer will have the right to reproduce such instructions and manuals solely for its own internal use hereunder, provided any such reproduction includes all confidential, proprietary and/or copyright notices of Seller contained therein. Seller reserves all rights protected by copyright, trademark and other intellectual property laws.

CLAUSE 7. USE OF INFORMATION

Any specifications, drawings, models, samples, tools, computer or other programs, technical or business information or data, written, oral or otherwise ("Information"), furnished by one party (the "Disclosing Party") to the other party (the "Receiving Party") under this Agreement or in contemplation of this Agreement, will remain the Disclosing Party's property.

All copies of such Information in written, graphic or other tangible form will be returned to the Disclosing Party upon request. Information will be kept confidential by the Receiving Party and may not be used for any purposes other than performance hereunder except upon such terms as may be agreed upon between the parties in writing.

It is understood that the Receiving Party may be required to furnish information to judicial, regulatory or administrative bodies. In such event, the Receiving Party will promptly notify the Disclosing Party of each request and will cooperate with the Disclosing Party should the Disclosing Party desire to seek a protective order to prevent public disclosure of its information.

CLAUSE 8. ASSIGNMENT

This Agreement will bind the successors and assigns of the parties. However, this Agreement or any interest herein may not be assigned by any party without the prior written consent of the other. Any assignment or other attempted transfer of this Agreement except as prescribed herein is expressly prohibited.

CLAUSE 9. BREACH OF AGREEMENT

In the event Buyer is in breach or default of any of the terms, or conditions hereof, and said breach or default continues for a period of ten (10) days after the giving of written notice thereof to Buyer, then, in addition to all other rights and remedies available at law or in equity, Seller will have the right to cancel this Agreement.

CLAUSE 10. CHOICE OF LAW

This Agreement will be governed by Missouri law.

RESTRICTED - PROPRIETARY INFORMATION

The information contained herein is for use by authorized employees of the parties hereto and is not for general distribution within or outside their respective companies.

Southwestern Bell Telephone

Agreement No. CGA967076

Page 4 of 6

CLAUSE 11. DISCLAIMER OF WARRANTIES

Seller cannot guarantee that the results generated by using the SUPPORT SERVICES will completely meet the objectives sought by Buyer. SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTY AGAINST PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT WITH RESPECT TO THE SUPPORT SERVICES.

CLAUSE 12. FORCE MAJEURE

Neither party will be held responsible for any delay or failure in performance of any part of this Agreement to the extent that such delay or failure is caused by fire, flood, explosion, war, power outages, strike, embargo, government requirement, civil or military authorities, Act of God, public enemy, transportation facilities, acts or omissions of carriers or other causes beyond the control of Buyer or Seller. If any force majeure condition occurs, the party delayed or unable to perform will give immediate notice to the other party and the party affected by the other's inability to perform may elect to:

- (a) terminate this Agreement or any part as to SUPPORT SERVICES not already performed;
- (b) suspend this Agreement for the duration of the force majeure condition, buy or sell elsewhere SUPPORT SERVICES; or
- (c) resume performance once the force majeure condition ceases with an option in the affected party to extend the period of this Agreement up to the length of time the force majeure condition endured.

Unless written notice to the contrary is given within thirty (30) days after such affected party is notified of the force majeure condition, option (b) will be deemed selected.

CLAUSE 13. LIMITATIONS OF LIABILITY

IN NO EVENT WILL SELLER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES WHETHER ARISING OUT OF BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT TORT LIABILITY OR OTHERWISE. IN NO EVENT WILL SELLER BE LIABLE FOR ANY DAMAGES EXCEEDING THE AMOUNT SELLER RECEIVES FROM BUYER AS CHARGES FEES FOR SUPPORT SERVICES.

CLAUSE 14. NON-WAIVER

No course of dealing or failure of either party to strictly enforce any term, right or condition of this Agreement will be construed as a waiver of such term, right or condition. Waiver by Seller of any default of Buyer hereunder will not be deemed a waiver of any other default of Buyer. The express provision herein for certain rights and remedies of Seller are in addition to any other legal and equitable rights and remedies to which it would otherwise be entitled.

CLAUSE 15. MODIFICATION TO CONFORM TO LAW

This Agreement and all obligations hereunder will be subject to all applicable laws, court orders, rules and regulations (collectively, "Laws") including by way of illustration only and not limitation, the Modification of Final Judgment as amended, in United States vs. Western Electric Co., Inc., C. A. 82-0192 (D.D.C. 1982) (the "MFJ") to the extent that the MFJ applies. In the event this Agreement or any of its provisions, or the operations contemplated hereunder, are found to be inconsistent with or contrary to the MFJ or to any other Laws, the latter will be deemed to control and, if commercially practicable, this Agreement will be regarded as modified accordingly and will continue in full force and effect as so modified. If such modified agreement is not commercially practicable, in the opinion of either party, then the parties agree to meet promptly and discuss any necessary modifications to this Agreement. If the parties are unable to agree on

RESTRICTED - PROPRIETARY INFORMATION

The information contained herein is for use by authorized employees of the parties hereto and is not for general distribution within or outside their respective companies.

Ⓐ Southwestern Bell Telephone

Agreement No. CGA967076

Page 5 of 6

CLAUSE 15. MODIFICATION TO CONFORM TO LAW (Continued)

necessary modifications in order to comply with the MFJ then this Agreement may be terminated immediately by either party. Buyer will pay Seller all amounts due for SUPPORT SERVICES provided up to and including the effective date of termination.

CLAUSE 16. NON-EXCLUSIVE DEALING

Buyer acknowledges that it is not the exclusive purchaser from Seller of any or all SUPPORT SERVICES, and that Seller provides SUPPORT SERVICES to other buyers.

CLAUSE 17. NOTICES

Any notice or demand which under the terms hereof or under any statute must or may be given by Seller or Buyer will be in writing and will be given by facsimile or similar communication, or by certified or registered mail addressed to the respective parties as follows:

To Seller: Southwestern Bell Telephone Company
1010 Pine, Room 10-E-11
St. Louis, Missouri 63101
Attn: Contract Manager-Software Sales

To Buyer: Southwestern Bell Communications Services, Inc.
130 East Travis, Suite 550
San Antonio, Texas 78205
Attn: Ms. Carol Beeman

Such notice or demand will be deemed to have been given when sent by facsimile or similar communication, or when deposited, postage prepaid, by certified or registered letter in the U.S. mail.

The above addresses may be changed at any time by giving thirty (30) days' prior written notice as above provided.

CLAUSE 18. PUBLICITY

Neither party will publish or otherwise distribute, without the other party's prior written approval, any advertising, sales promotion, press releases or other publicity matters relating to the performance of SUPPORT SERVICES wherein Seller's name or marks are mentioned or implied.

CLAUSE 19. RELEASES VOID

Neither Buyer nor Seller will require waivers or releases of any personal rights from representatives of the other in connection with visits to each other's respective premises, and no such releases or waivers will be pleaded by Buyer or Seller or third persons in any action or proceeding.

CLAUSE 20. SEVERABILITY

If any of the provisions hereof are determined to be invalid, such invalidity will not invalidate the entire Agreement, but rather the entire Agreement will be construed as if not containing the particular invalid provision, and the rights and obligations of Buyer and Seller will be enforced accordingly.

RESTRICTED - PROPRIETARY INFORMATION

The information contained herein is for use by authorized employees of the parties hereto and is not for general distribution within or outside their respective companies.

Southwestern Bell Telephone

Agreement No. CGA967076
Page 6 of 6

CLAUSE 21. SURVIVAL OF OBLIGATIONS

The party's obligations hereunder which by their nature would continue beyond the termination or expiration hereof, including, by way of illustration only and not limitation, those in the clauses entitled DISCLAIMER OF WARRANTIES, LIMITATIONS OF LIABILITY, RELEASES VOID, SEVERABILITY and USE OF INFORMATION, will survive the termination or expiration hereof.

CLAUSE 22. TARIFFED SERVICES

This Agreement is subject to all terms and conditions of Seller's tariffs now or hereafter on file with any federal or state regulatory authority, as well as to all applicable laws, judicial mandates and rules, regulations and orders of any federal, state or local regulatory authority (collectively, "Government Regulation"). All such Government Regulation is incorporated herein by this reference.

CLAUSE 23. TAXES

Any tax or other amount which Seller shall be required to pay to or to collect for a government agency upon or with respect to SUPPORT SERVICES rendered, or use or delivery of products or any parts thereof to Buyer, will be billed to Buyer as separately stated charges. In the event Buyer disputes the taxability of an item, Seller shall continue to collect such tax unless and until Buyer provides Seller with documentation authorized by the taxing authority, such as a certificate of exemption, which shall relieve the Seller from liability for collection and payment of tax.

CLAUSE 24. TERMINATION

Either party may terminate this Agreement by giving the other at least thirty (30) days' prior written notice. Termination of this Agreement will also constitute termination of all SSOs then in effect. On the other hand, an individual SSO may be terminated by either party as provided in such SSO, without terminating this Agreement in its entirety or any other SSOs then still in effect. Either party shall have the right to terminate any SSO hereto by providing the other party, in writing, with at least thirty (30) days notice of its intent to terminate the SSO. Upon termination of this Agreement or any SSO, Buyer will pay Seller all amounts due for SUPPORT SERVICES provided up to and including the effective date of termination.

CLAUSE 25. ENTIRE AGREEMENT

The terms and conditions contained in this Agreement shall supersede all prior oral or written understandings between the parties and shall constitute the entire agreement between the parties. This Agreement shall not be modified or amended, except by a written instrument signed by both parties.

IN WITNESS WHEREOF, the parties have duly executed this Agreement in duplicate on the date(s) written below.

Southwestern Bell Telephone Company
("Seller")

By: Dara Druke

Typed Name: Dara Druke

Title: Contract Manager

Date: 5/13/96

Southwestern Bell Communications Services, Inc.
("Buyer")

By: Karol M Swartz

Typed Name: KAROL M SWARTZ

Title: V.P. Chief Fin. Officer

Date: 5/24/96

RESTRICTED - PROPRIETARY INFORMATION

The information contained herein is for use by authorized employees of the parties hereto and is not for general distribution within or outside their respective companies.

CONFIDENTIAL

Southwestern Bell Telephone

Contract No. CGA967076

Amendment No. 1

Page 1 of 1

GENERAL AGREEMENT FOR SUPPORT SERVICES AMENDMENT

between

Southwestern Bell Telephone Company ("Seller")
A Missouri Corporation
One Bell Center
St. Louis, Missouri 63101

and

Southwestern Bell Communications Services, Inc. ("Buyer")
a Delaware corporation
130 East Travis, Suite 550
San Antonio, Texas 78205

This AMENDMENT NO. 1 to AGREEMENT NO. CGA967076 is made and entered into as of the 1st day of July, 1996, by and between Southwestern Bell Telephone Company ("Buyer") and Southwestern Bell Communications Services, Inc. ("Seller").

WHEREAS, Buyer and Seller entered into Contract No. CGA967076, on May 1, 1996, (the Agreement) and

WHEREAS, Buyer and Seller desire to amend the Agreement as hereinafter set forth.

Now, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the parties hereto agree as follows:

- 1. Amendment to SSO901 and SSO902 dated May 1, 1996 - Clause 1. PROJECT BILLING IDENTIFICATION NUMBER - the project billing identification number is hereby changed from 600-901-4, 600-901-003, 600-902-1, 600-902-3, 600-902-4, 600-902-8 to 300-901-4, 300-901-003, 300-902-1, 300-902-3, 300-902-4, 300-902-8.

All other terms and conditions regarding the above Agreement remain unchanged.

IN WITNESS WHEREOF, Buyer and Seller have caused this Amendment to Agreement No. CGA967076 to be executed in duplicate counterparts, each of which will be deemed to be an original instrument, as of the date first above written.

By: [Signature] ("Buyer")
Title: President & CEO
Date: 8/12/96

SOUTHWESTERN BELL TELEPHONE CO. ("Seller")
By: [Signature]
Title: Contract Manager
Date: July 1, 1996

Ⓟ Southwestern Bell Telephone

Agreement No. CGA967076
SSO 901 dated January 1, 1997
Page 1 of 2

SUPPORT SERVICES ORDER

WHEREAS, Southwestern Bell Telephone Company ("Seller") and Southwestern Bell Communications Services, Inc., ("Buyer") entered into General Agreement No. CGA967076 for SUPPORT SERVICES (the "Agreement") on May 1, 1996 (the "Effective Date"); and

WHEREAS, Seller and Buyer desire to execute a SUPPORT SERVICES Order ("SSO") as provided in the Agreement pursuant to which Seller will perform SUPPORT SERVICES as hereinafter set forth:

NOW, THEREFORE, the parties agree as follows:

1. PROJECT BILLING IDENTIFICATION NUMBER

The Project billing identification number for this SSO is 600-901-5

2. SUPPORT SERVICES

Seller will provide SUPPORT SERVICES as described below in Clause 3, PROJECT, pursuant to the terms and conditions of the Agreement which are incorporated herein by this reference.

3. PROJECT

The PROJECT will consist of the utilization of Technical Personnel SUPPORT SERVICES for the programs and other applications as set forth under Clause 5.

4. TERMS

- a. Initial Term. This SSO will become effective as of the 1st day of January 1997, and will continue in effect for an initial term of twelve (12) calendar months, unless sooner terminated in accordance with the provisions of the Agreement.
- b. Renewal Term. This SSO may be renewed upon mutual agreement between the parties. The non-renewing party must provide not less than one hundred twenty (120) days advance written notice to the other party of its intent not to renew.

5. CHARGES

Compensation due Seller from Buyer for the SUPPORT SERVICES provided hereunder is as follows:

 Southwestern Bell Telephone

Agreement No. CGA0579
SO 901 dated January 1, 1996
Page 2 of 2

a. TECHNICAL PERSONNEL

1. Seller's Technical Personnel assigned to Buyer's work at Seller's location: (3)

<u>Salary Grade</u>	<u>Hourly Rate</u>
Technical Personnel Support	\$ 116.00

NOTE: Authorized bills and vouchers for reasonable expenses for lodging, meals and transportation will be billed back to Buyer.

The charges set forth in this SSO may be amended by Seller at any time in order to comply with the affiliate transaction rules adopted by the Federal Communications Commission ("FCC") presently in 47 C.F.R. Section 32.27. Seller will notify Buyer in writing in advance, at least one hundred twenty (120) days of such charge changes. Notwithstanding any other provision herein, all charges of any kind for Seller's SUPPORT SERVICES shall be in accordance with the affiliate transaction rules, as the same may be amended from time to time.

(3) For billing purposes, the identification number will be 600-901-003.

b. Coordinators. Coordinators for the SUPPORT SERVICES will be:

Buyer: Southwestern Bell Communications Services, Inc.
130 East Travis, Suite 550,
San Antonio, Texas 78205

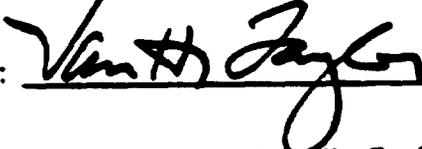
Seller: Project Manager - Information Systems - Affiliate Services
Southwestern Bell Telephone Company
1010 Pine, 8-E-54
St. Louis, Missouri 63101

IN WITNESS WHEREOF, this SSO has been executed by authorized representatives of the parties, in duplicate, as of the dates set forth below.

Accepted:
Southwestern Bell Telephone Company
("Seller")

Accepted:
Southwestern Bell Communications Services, Inc.
("Buyer")

By: 

By: 

Typed/Printed Name: James R. Cunningham

Typed/Printed Name: Van H. Taylor

Title: Contract Manager

Title: President & CEO

Date: 2/11/97

Date: 3/7/97



CONFIDENTIAL

 Southwestern Bell Telephone

Agreement No. CGA967076
SSO 902 dated January 1, 1997
Page 1 of 4

SUPPORT SERVICES ORDER

WHEREAS, Southwestern Bell Telephone Company ("Seller") and Southwestern Bell Communications Services, Inc., ("Buyer") entered into General Agreement No. CGA967076 for SUPPORT SERVICES (the "Agreement") on May 1, 1996 (the "Effective Date"); and

WHEREAS, Seller and Buyer desire to execute a SUPPORT SERVICES Order ("SSO") as provided in the Agreement pursuant to which Seller will perform SUPPORT SERVICES as hereinafter set forth;

NOW, THEREFORE, the parties agree as follows:

1. PROJECT BILLING IDENTIFICATION NUMBER

The Project billing identification number for this SSO is 600-902-5

2. SUPPORT SERVICES

Seller will provide SUPPORT SERVICES as described below in Clause 3, PROJECT, pursuant to the terms and conditions of the Agreement which are incorporated herein by this reference.

3. PROJECT

The PROJECT will consist of DATA PROCESSING SERVICES for the programs and other applications set forth under Clause 5.

4. TERM

- a. Initial Term. This SSO will become effective as of the 1st day of May, 1996 and will continue in effect for an initial term of twelve (12) calendar months, unless sooner terminated in accordance with the provisions of the Agreement.
- b. Renewal Term. This SSO may be renewed upon mutual agreement between the parties. The non-renewing party must provide not less than one hundred twenty (120) days advance written notice to the other party of its intent not to renew.

5. CHARGES

Compensation due Seller from Buyer for the SUPPORT SERVICES provided hereunder is as follows:

RESTRICTED - PROPRIETARY INFORMATION

The information contained herein is for use by authorized employees of the parties

5. CHARGES (Continued)

a. Data Processing.

SUPPORT SERVICES shall include processing of the programs and procedures contained in the current Data Processing Center Practice (DPCP) and those that may be added to the DPCP during the calendar year and those utilities and special programs required to maintain the usability, security, backup and recovery of the systems listed. (1)

Resource Unit	Charge Per Unit
Central Processor Unit (CPU) Per Standard CPU Hour Used	\$ 860.00
Disk/Tape Utilization Per 100 Executed Channel Commands (EXCP's)	\$.03
Print Utilization Per page	\$.03
Network Control Center SUPPORT SERVICES Per Terminal Hour	\$.12
Special Program Release	\$ 936.00/request

b. Test System Processing: (8)

Resource Unit	Charge Per Unit
Central Processor Unit (CPU) Per Standard CPU Hour Used	\$ 860.00
Disk/Tape Utilization Per 100 Executed Channel Commands (EXCP's)	\$.03
Print Utilization Per page	\$.03

c. Timesharing (CVM)

SUPPORT SERVICES such that each Buyer user may store and process user owned data, to modify existing program and/or procedure files in the Corporate VM (CVM) System. SUPPORT SERVICES shall include use of the CVM System, consulting, development, enhancement support and training. (3)

1. CVM System Usage Charge SSO

a. Interactive Time-Share (on-line)	<u>Charge</u>
1. Virtual CPU Time	\$.30/second

Southwestern Bell Telephone

Agreement No. CGA967076
SSO 902 dated January 1, 1997
Page 3 of 4

5. CHARGES (Continued)

b. Miscellaneous Charges

1. Disk Storage, per cylinder \$ 4.50/month

c. Program Consulting, Development and Enhancement Support

<u>Salary Grade</u>	<u>Charge</u>
a. 1st Level	\$ 111.00
b. 2nd Level	\$ 128.00

d. Timesharing (UNIX)

SUPPORT SERVICES such that each user may store and process user owned data, program and/or procedure files in the UNIX Timeshare System. (4)

a. System Resource Unit (SRU) \$ 10.00

The charges set forth in this SSO may be amended by Seller at any time in order to comply with the affiliate transaction rules adopted by the Federal Communications Commission ("FCC") presently in 47 C.F.R. Section 32.27. Seller will notify Buyer in writing in advance, at least one hundred twenty (120) days of such charge changes. Notwithstanding any other provision herein, all charges of any kind for Seller's SUPPORT SERVICES shall be in accordance with the affiliate transaction rules, as the same may be amended from time to time.

e. Coordinators.

Coordinators for the SUPPORT SERVICES will be:

Buyer: Southwestern Bell Communications Services, Inc.
130 East Travis, Suite 550,
San Antonio, Texas 78205

Seller (1)(2): Project Manager-Information Systems-Affiliate Services
Southwestern Bell Telephone Company
1010 Pine, 8-E-54
St. Louis, Missouri 63101

Seller (3): District Manager-Information Systems
Southwestern Bell Telephone Company
One Bell Center, 23-M-1
St. Louis, Missouri 63101

 Southwestern Bell Telephone

Agreement No. CGA967076
SSO 902 dated January 1, 1997
Page 4 of 4

5. CHARGES (Continued)

Seller (4) District Manager-Information Systems
Southwestern Bell Telephone Company
One Bell Center, 24-Y-2
St. Louis, Missouri 63101

- (1) For billing purposes, the identification number will be 600-902-001.
- (3) For billing purposes, the identification number will be 600-902-003.
- (4) For billing purposes, the identification number will be 600-902-004.
- (8) For billing purposes, the identification number will be 600-902-008.

IN WITNESS WHEREOF, this SSO has been executed by authorized representatives of the parties, in duplicate, as of the dates set forth below.

Accepted:

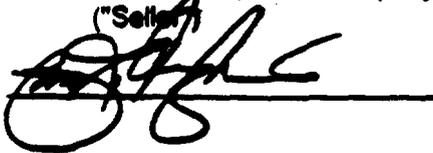
Accepted:

Southwestern Bell Telephone Company

Southwestern Bell Communications Services, Inc.

("Seller")

("Buyer")



By: 

Typed/Printed Name: James R. Cunningham

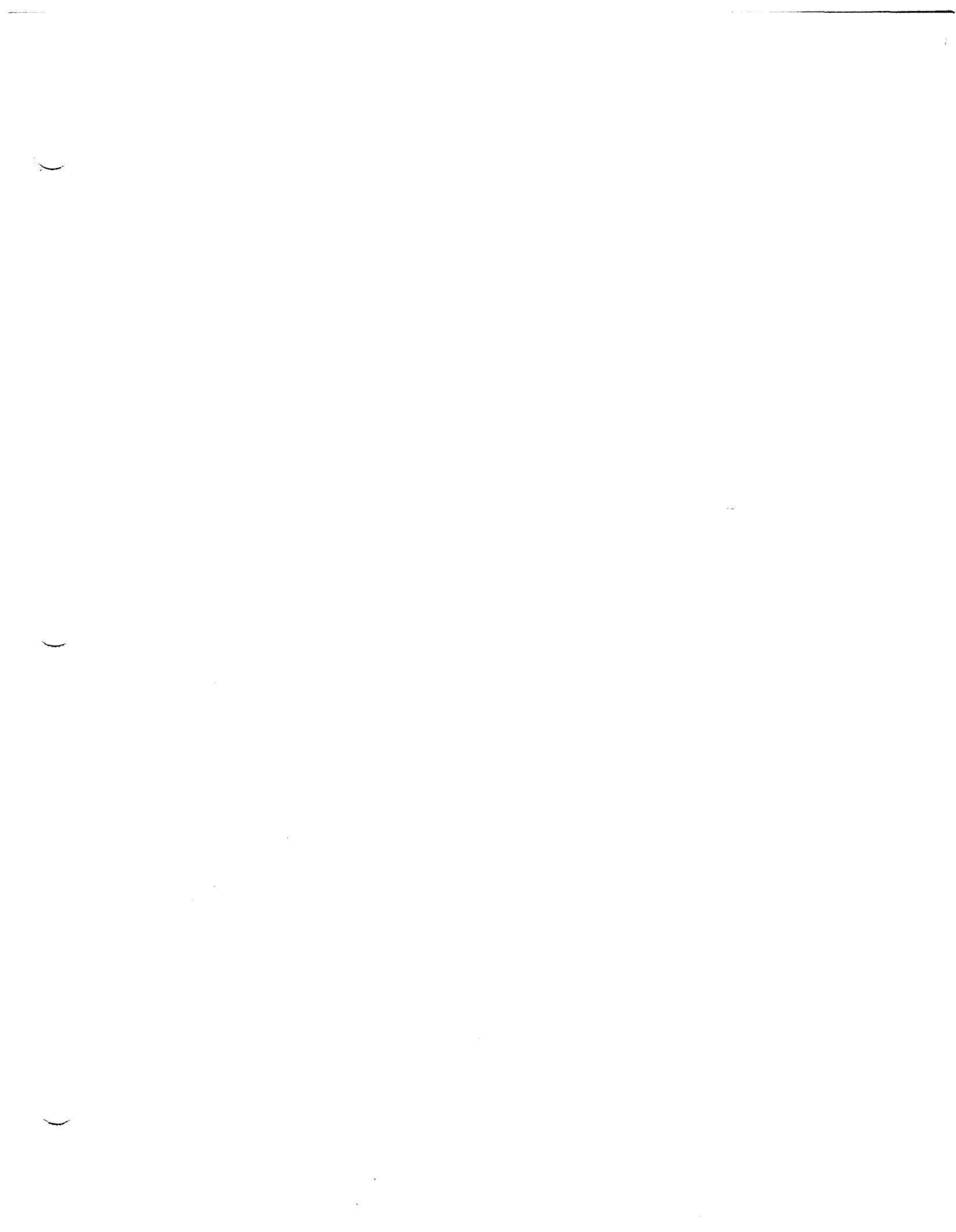
Typed/Printed Name: Van H. Taylor

Title: Contract Manager

Title: President & CEO

Date: 2/11/97

Date: 3/7/97



MOU #964204

Network Management Bureau Services
Memorandum of Understanding

Southwestern Bell Communications Services, Inc., (hereinafter referred to as SBCS) and Southwestern Bell Telephone Company ("Contractor") are presently negotiating a formal agreement for the sale and purchase of Network Management Bureau Services (the "Services") to be provided by Contractor to SBCS in accordance with Contractor's Network Management Services proposal.

Contractor and SBCS have agreed and this authorization confirms that Contractor will commence provision of start-up Service installation, Project Implementation, Data Communications set-up, Client Specific Development and Network Parameters Establishment activities. Such matters as review of Contractor's final recurring rate structure and other terms and conditions remain to be agreed upon.

In contemplation of the execution of a formal agreement, this authorizes Contractor to commence the Services and to bill SBCS on a monthly basis for such services subject to an aggregate maximum amount of \$2,500,000 and incur the necessary costs for the Services either directly or through subcontractors previously approved by SBCS, to enable Contractor to make timely delivery of the Services.

Contractor shall commence immediately and pursue diligently the authorized activities and keep SBCS currently informed of its progress, as well as promptly advising SBCS of any delays encountered or foreseen by Contractor in carrying out the authorized activities.

If this authorization expires or is terminated, Contractor and its suppliers shall immediately cease all further efforts to provide the Services. If termination charges are demanded by Contractor's suppliers, Contractor shall take whatever steps are reasonable to minimize them.

This authorization expires upon reaching the total of \$2,500,000 in billable Services, unless on or before that date SBCS:

- (a) Terminates this authorization by written notice to Contractor, or
- (b) Executes a formal agreement for SBCS's purchase from Contractor of the Services, or
- (c) Changes the above expiration date to a mutually agreeable date, or
- (d) Authorizes additional billing above \$2,500,000.

Upon expiration or receipt by Contractor of notice of termination, title to outputs from the Services shall vest in SBCS. Contractor shall follow SBCS's instructions for disposition of these items and work.

Except as provided in the next paragraph, SBCS's liability upon expiration or termination shall be limited to the following termination charges: (1) Contractor's actual costs for materials, components, equipment and engineering work (not terminable or usable in its other operations); (2) Contractor's actual costs incurred in procuring at the date of expiration or receipt of notice of termination, less any salvage value thereof; and (3) reasonable termination charges actually

RESTRICTED - PROPRIETARY INFORMATION

The information contained herein is for use by authorized employees
of the parties hereto only and is not for general distribution within
or outside their respective Companies.

paid by Contractor to its suppliers. In no way shall SBCS's total liability for activities under or in contemplation of this authorization exceed \$2,500,000, without further authorization.

Notwithstanding any other provision hereof to the contrary, in order to enable Contractor to comply with the applicable requirements, if any, of Parts 32 and 64 of the Rules of the Federal Communications Commission ("FCC") pertaining to affiliate transactions and any similar state or federal requirements, Contractor shall be entitled to recover from SBCS compensation for Contractor's provision of any services to SBCS hereunder, which compensation shall be no less than the amount, if any, Contractor is required to book in its regulated books of account. Specifically, to the extent any of the services furnished to SBCS hereunder are available at a Prevailing Price, as defined herein, Contractor shall receive no less than such Prevailing Price. In the event any of such services are not available at a Prevailing Price, then SBCS shall pay Contractor no less than Contractor's fully distributed cost of furnishing such services, as determined using Contractor's customary fully distributed costing procedures. To ensure that the requirements of this paragraph are satisfied, Contractor shall have the right from time to time to true-up the charges payable hereunder to ensure that Contractor has received no less than the applicable Prevailing Price, if any, or its fully distributed cost of providing the services hereunder and to revise the charges accordingly.

"Prevailing Price" is the price paid for an asset or service by nonaffiliated third parties in a substantial number of transactions. The test period for determining a substantial number of transactions is the current year to date plus the prior calendar year. The "substantial number" of transactions criterion is met when one of the following factors exists: 1) sales transactions to non-affiliates constitute ten percent (10%) of all sales transactions of the assets or service with a minimum of five (5) such sales, or 2) there is a single sale of the asset or service to a non-affiliate with a gross sales price of \$50,000 or more.

Contractor shall maintain complete and accurate records of all amounts billable to and payments made by SBCS hereunder in accordance with standard recognized accounting practices. Contractor shall retain such records for a period of three (3) years from the date of final payment for Services covered by this authorization and maintain reasonable billing detail for the time specified. Contractor agrees to provide reasonable supporting documentation concerning any disputed amount of invoice to SBCS within thirty (30) calendar days after receipt of written notification of such dispute. Contractor further agrees SBCS shall have the right through its accredited representatives to inspect and audit, during normal business hours, the charges invoiced to SBCS under this authorization. This right to audit shall be limited to validating the accuracy of its resources utilized and associated charges to SBCS and expressly excludes records and information pertaining to any other customers, or Contractor's accounting policies or practices. Should SBCS request an audit, Contractor will make available the pertinent utilization records and files. All costs directly attributable to such audit shall be paid by SBCS.

When the formal agreement currently being negotiated is signed by the parties, SBCS shall have no liability for payment under this authorization, which shall be superseded by the terms and conditions of the formal agreement. The formal agreement shall govern the entire transaction from the beginning.

RESTRICTED - PROPRIETARY INFORMATION

The information contained herein is for use by authorized employees of the parties hereto only and is not for general distribution within or outside their respective Companies.

If the foregoing correctly sets forth the understanding of the parties, please acknowledge receipt, sign the enclosed copy of this authorization at the place provided below and return a copy to the undersigned.

Accepted:

Southwestern Bell Communication Services, Inc.

By: *[Signature]*

Title: PRESIDENT & CEO

Date: 7/24/96

Accepted:

Southwestern Bell Telephone Company

By: *[Signature]*

Title: CONTRACT MGR

Date: 7/31/96

RESTRICTED - PROPRIETARY INFORMATION

The information contained herein is for use by authorized employees of the parties hereto only and is not for general distribution within or outside their respective Companies.



SUPPORT SERVICES ORDER

WHEREAS, Southwestern Bell Telephone Company ("Seller") and Southwestern Bell Communications Services, Inc., ("Buyer") entered into General Agreement No. CGA967076 for SUPPORT SERVICES (the "Agreement") on May 1, 1996 (the "Effective Date"); and

WHEREAS, Seller and Buyer desire to execute a SUPPORT SERVICES Order ("SSO") as provided in the Agreement pursuant to which Seller will perform SUPPORT SERVICES as hereinafter set forth;

NOW, THEREFORE, the parties agree as follows:

1. PROJECT IDENTIFICATION NUMBER

The Project identification number for this SSO is 300-912-001.

2. SUPPORT SERVICES

Seller will provide SUPPORT SERVICES for the Network Management Bureau Services as described below in Clause 3, PROJECT, pursuant to the terms and conditions of the Agreement which are incorporated herein by this reference.

3. PROJECT

The PROJECT will consist of Network Management Bureau Services as set forth under Clause 5.

4. TERMS

- a. **Initial Term.** This SSO will become effective as of the 1st day of September, 1996, and will continue in effect for an initial term of twelve (12) calendar months, unless sooner terminated in accordance with the provisions of the Agreement.
- b. **Renewal Term.** Following the initial term specified above, this SSO will be automatically renewed for consecutive renewal terms of twelve (12) calendar months each, unless terminated as set forth in the Agreement.

5. CHARGES

Compensation due Seller from Buyer for the SUPPORT SERVICES provided hereunder is as follows:

<u>Billing Numbers</u>	<u>Description</u>	<u>Price</u>
300-912-001	KCO X000920 - Systems Installation/Start Up	1st & 2nd levels \$116.00/hr
300-912-002	KCO X000922 - Service Implementation	1st & 2nd levels \$116.00/hr SS1 and SS2 \$ 56.00/hr
300-912-003	KCO X000924 - Switch Installation and Translations	1st & 2nd levels \$116.00/hr Group 1 Craft \$ 82.00/hr
300-912-004	KCO X000926 - Client Specific Development	1st & 2nd levels \$116.00/hr SS2 \$ 80.00/hr
300-912-005	KCO X000928 - Data Communications Set Up	Infor. Svcs. 1st & 2nd levels \$122.00/hr Network 1st & 2nd levels \$116.00/hr SS1 \$ 56.00/hr

The charges set forth above may be amended by Seller after the initial term has expired. Seller will notify Buyer in writing, at least one hundred twenty (120) days in advance, of such charge changes.

IN WITNESS WHEREOF, this SSO has been executed by authorized representatives of the parties, in duplicate, as of the dates set forth below.

Accepted:

Accepted:

Southwestern Bell Telephone Company
("Seller")

Southwestern Bell Communications Services, Inc.
("Buyer")

By: *Doris Druke*

By: *V. H. Taylor*

Title: Contract Manager

Title: President & CEO

Date: October 16, 1996

Date: 11/20/96

LARKIN

ATTACHMENT 5

AFFILIATE BILLING
CONTRACT ADMINISTRATOR GUIDE

BILLING FOR SERVICES PERFORMED BY SOUTHWESTERN BELL TELEPHONE
FOR AFFILIATED COMPANIES

<u>Section</u>	<u>Page</u>
I GENERAL	1-4
II BILLING INFORMATION	5-12
III PREPARATION OF FORM SW-2680, AFFILIATE BILLING DATA	13-16
IV REVENUE AND INCOME DISTRIBUTION	17-23
V MONTHLY UNITS DATA REPORTING, PREPARATION OF SW-2681 & SW-2681A	24-30
VI MONTHLY TAX DATA REPORTING, PREPARATION OF SW-2681T	31-33

GENERAL

Effective January 1, 1984, Southwestern Bell Telephone Company (SWBT) began offering services to its affiliated companies. These services are provided under contract and billing is rendered according to contract terms.

Establishment of billing terms and ongoing billing responsibilities are as follows:

Area Manager-Affiliate Services

Manager-Affiliate Services

1. Coordinates overall pricing, costing and data provision effort related to each contract.
2. Determines price of new services.
3. Prepares contracts and arranges for legal review and authorization by appropriate organizations.
4. Provides the Manager-Affiliate Billing and Contract Administrators with signed contracts and notification of any changes that occur.
5. Handles customer contacts.
6. Coordinates with the Contract Administrator and/or affiliate to assure the judicious application of late payment charges.

7. Receives payments and tracks bills paid.
8. Coordinates with Area Mgr.-Affiliate Services and/or Contract Administrator to ensure receipt of accurate/timely billing payments and the proper application of late payment charges.

Contract Administrator*

1. Initiates Forms SW-2680,** Affiliate Billing Data, for each contract (schedule and addendum). Sends these forms to the Manager-Affiliate Billing at the beginning of the contract period (no later than January 15 of the year in which the contract is to be effective) and as changes in the contract occur. This form must be received by the Manager-Affiliate Billing no later than the 1st workday of the month in which new rates or revenue distribution is to be effective. For example, if billing is to appear on the June bills, Form(s) SW-2680 must be received by the Manager-Affiliate Billing by June 1.
2. Determines source(s) for all units data and arranges to have the source(s) send the data to them. Provides all the summarized data to the Manager-Affiliate Billing on Form SW-2681, Affiliate Billing Data - Monthly Units, and, if applicable, Form SW-2681T, Affiliate Billing Tax Data, by the 15th calendar day of the month in which units are to be billed. (Contact Manager-Affiliate Billing for a current Affiliate Billing schedule.)

NOTE: * It is suggested that this position be occupied by a management employee.