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March 12, 2009

VIA HAND DELIVERY

Honorable Eddie Roberson, Chairman
c/o Sharla Dillon, Docket & Records Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

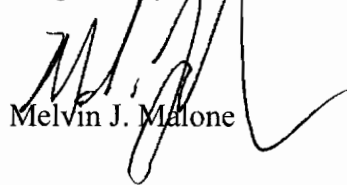
RE: In Re: Application of Twin Lakes Communications, Inc. for a Certificate of Public Convenience and Necessity to Provide Intrastate Telecommunications Services Statewide, TRA Docket No. 09-00035

Dear Chairman Roberson:

Enclosed please find one (1) original and thirteen (13) copies of the *Application of Twin Lakes Communications, Inc. for a Certificate of Public Convenience and Necessity to Provide Intrastate Telecommunications Services Statewide* (the "*Application*"). Also enclosed is a check for the filing fee as well. Please note that **Exhibit B** to the *Application* is being submitted UNDER SEAL as CONFIDENTIAL and PROPRIETARY.

Finally, one (1) additional copy of the *Application* is enclosed to be filed-stamped for our records. If you have any questions or require additional information, please let us know.

Respectfully submitted,



Melvin J. Malone

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

APPLICATION OF TWIN LAKES)	DOCKET NO.
COMMUNICATIONS, INC. FOR A)	
CERTIFICATE OF CONVENIENCE)	
AND NECESSITY TO PROVIDE)	
INTRASTATE)	
TELECOMMUNICATIONS SERVICES)	
STATEWIDE)	

**APPLICATION OF TWIN LAKES COMMUNICATIONS, INC. FOR A CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY
TO PROVIDE INTRASTATE TELECOMMUNICATIONS SERVICES STATEWIDE**

Twin Lakes Communications, Inc. (“Twin Lakes Communications” or “Applicant”), by and through its undersigned counsel, and pursuant to Tenn. Code Ann. §§ 65-4-201 through 65-4-204 and Chapter 1220-4-8 of the Rules and Regulations of the Tennessee Regulatory Authority (“TRA” or “Authority”), as applicable, hereby submits this *Application of Twin Lakes Communications, Inc. for a Certificate of Public Convenience and Necessity to Provide Intrastate Telecommunications Services Statewide* (the “*Application*”).

Twin Lakes Telephone Cooperative Corporation (“TL Cooperative”) is a telephone cooperative that was incorporated in Tennessee in 1951 and has its principal office in Gainesboro, Tennessee. TL Cooperative currently provides a full array of telecommunications and broadband services within approximately eight (8) Tennessee counties, servicing fifteen (15) exchanges. Twin Lakes Communications, a wholly-owned subsidiary of TL Cooperative, is currently authorized to provide long distance telecommunications services statewide in Tennessee. Twin Lakes Communications is authorized to provide such services pursuant to the

Authority's January 27, 2003, *Order Granting Authority to Provide Operator Services and/or Resell Telecommunications Service in Tennessee* ("2003 Order").¹

As provided further below, Twin Lakes Communications seeks to provide a full array of telecommunications services on a statewide basis, as business conditions warrant, including the areas served by incumbent local exchange carriers with fewer than 100,000 total access lines. As set forth herein, Twin Lakes Communications has the managerial, financial, and technical fitness to provide the applied-for services in the State of Tennessee. As demonstrated below, the granting of this *Application* will provide significant benefits to Tennessee consumers and thereby serve the public interest. In order to serve the public interest in a timely manner, Twin Lakes Communications requests expedited consideration and approval of this *Application*.

In support of the *Application*, Twin Lakes Communications submits the following.

I. DESCRIPTION OF THE APPLICANT

1. Legal Name and Address of Applicant: Applicant's legal name is Twin Lakes Communications, Inc. Twin Lakes Communications maintains its principal place of business at:

Twin Lakes Communications, Inc.
201 West Gore Avenue
Gainesboro, TN 38562

and Twin Lakes Communications' mailing address is:

Twin Lakes Communications, Inc.
P.O. Box 67
Gainesboro, TN 38562-0067

¹ See *In Re: Company ID: 128818*, Order Granting Authority to Provide Operator Services and/or Resell Telecommunication Service in Tennessee, TRA Case Number 02-01342 (Jan. 27, 2003). Twin Lakes Communications has not sought certification in any other state.

2. Contact Persons: Correspondence or communications pertaining to this *Application* should be directed to:

Melvin J. Malone
Sarah Lodge Tally
MILLER & MARTIN PLLC
150 Fourth Avenue North
1200 One Nashville Place
Nashville, TN 37219-2433
Telephone: (615) 244-9270
Facsimile: (615) 256-8197
mmalone@millermartin.com
stally@millermartin.com

3. Corporate Liaison: Questions concerning the ongoing operations of Twin Lakes Communications should be directed to:

Wayne Gassaway, General Manager
Twin Lakes Communications, Inc.
201 West Gore Avenue
Gainesboro, TN 38562
Telephone: (931) 268-2151
Facsimile: (931) 268-2734

4. Corporate Information: As set forth and established by the Applicant, and as recognized by the Authority, in TRA Case Number 02-01342, Twin Lakes Communications was formed in 2002 and was authorized by the Authority to provide long distance services in 2003. Twin Lakes Communications' license to do business, its charter and its by-laws are currently on file with the Authority.² The biographies of the principal corporate officers, members of the Board of Directors, and staff of Twin Lakes Communications are attached hereto in **Exhibit A**.

II. QUALIFICATIONS

Before issuing the *2003 Order*, the Authority reviewed, among other things, Twin Lakes Communications' managerial, technical, and financial ability to provide long distance services. Since 2003, Twin Lakes Communications has gained valuable experience as a

² See *supra* n. 1.

telecommunications provider. With this experience, and as demonstrated below, Twin Lakes Communications continues to possess the requisite managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee.

1. Managerial: Twin Lakes Communications has been providing long distance telephone services in Tennessee since 2003, primarily to Tennesseans in the eight (8) Tennessee counties serviced by TL Cooperative, namely Clay, DeKalb, Fentress, Jackson, Pickett, Putnam, Overton, and Smith Counties. Before issuing the *2003 Order*, the Authority reviewed, among other things, Twin Lakes Communications' managerial ability. Since 2003, Twin Lakes Communications has gained valuable experience as a telecommunications provider. Hence, Twin Lakes Communications has the foundation necessary to provide the proposed telecommunications services and to serve Tennessee's telecommunications consumers throughout the state.

Twin Lakes Communications remains managerially qualified to provide telecommunications services statewide. Twin Lakes Communications is led by Larry J. Stafford, President, and he is supported by highly qualified and competent directors and staff. Attached hereto as Exhibit A is a list of the names of the Applicant's principal company officers and a description of each officer's background and experience. As shown in Exhibit A, these officers of the company have substantial managerial experience in the areas of utility operations, utility customer service and utility marketing.

2. Financial Qualifications: Before issuing the *2003 Order*, the Authority reviewed, among other things, Twin Lakes Communications' financial ability to provide long distance services. Twin Lakes Communications is financially qualified to provide a full array of telecommunications services statewide, as it has been providing long distance services since

2003. Twin Lakes Communications submits as **CONFIDENTIAL Exhibit B** the *2008 and 2007 Audited Financial Statements* of TL Cooperative,³ which demonstrates that Twin Lakes Communications is financially qualified to provide local exchange services statewide. **CONFIDENTIAL Exhibit B** is being submitted **UNDER SEAL** as **CONFIDENTIAL AND PROPRIETARY**. In addition to its own financial assets, Twin Lakes' Communications may receive funding, if necessary, by the sale of additional stock to TL Cooperative, its parent corporation. Twin Lakes Communications has an irrevocable letter of credit in the amount of \$20,000.00 on file with the Authority.

Twin Lakes Communications' financials do not reflect any material revenues or expenses associated with reciprocal compensation.

3. **Technical Qualifications**: Before issuing the *2003 Order*, the Authority reviewed, among other things, Twin Lakes Communications' technical ability to provide long distance services. Based in part on its experience since 2003 as a telecommunications services provider, coupled with its demonstrated managerial experience, Twin Lakes Communications possesses the necessary technical qualifications to provide a full array of telecommunications services throughout Tennessee. As noted earlier herein, Twin Lakes Communications has successfully serviced its telecommunications customers since 2003. Information concerning the technical expertise of Twin Lakes Communications' senior management team is included in **Exhibit A**. This experience provides Twin Lakes Communications with the foundation necessary to provide the proposed telecommunications services. Twin Lakes Communications will file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including quality of service and billing standards required of all LEC's regulated by the TRA.

³ The 2008 Annual Report of TL Cooperative contains the consolidated balance sheets of TL Cooperative and Twin Lakes Communications.

Twin Lakes Communications possesses the requisite level of telecommunications expertise and is technically qualified to offer local exchange services.

III. PROPOSED SERVICES

1. In addition to its current offerings, Twin Lakes Communications intends to offer a full range of telecommunications services, including, but not limited to, dedicated and switched access services, private line services, local dial tone, 911 and E911 emergency services, enhanced services and all other Authority-required Rule 1220-4-8-.04(3)(b) services. In providing such services, Twin Lakes Communications will utilize capacity on TL Cooperative's network⁴ and, where appropriate and necessary, supplement its services by leasing the facilities of third party carriers and/or by reselling the services.

2. Twin Lakes Communications is authorized to provide certain telecommunications services throughout the State of Tennessee, and it desires to expand upon such services, as set forth herein, to offer more consumers increased carrier choices, competitive pricing, increased reliability, responsiveness, and innovation.

3. Twin Lakes Communications understands the importance of effective customer service for local service customers. Upon obtaining the requested expanded certification, Twin Lakes Communications will establish a toll free customer service number, which will be printed on the customers' monthly billing statements. Additionally, customers may write to Twin Lakes Communications at its main office address in Gainesboro. In the past year, Twin Lakes Communications has had no formal customer service complaints filed.

4. To the extent that any rural incumbent LEC possesses an exemption or suspension under Section 251(f) of the Federal Communications Act (the "Act"), Twin Lakes

⁴ The affiliate transactions guidelines that will govern the relationship between Twin Lakes Communications and TL Cooperative are attached hereto as **Exhibit C**.

Communications does not seek interconnection under Section 251(c) at this time, nor does Twin Lakes Communications seek at this time to challenge any such exemption from any of the other obligations specified in Section 251(c) of the Act.

IV. REGULATORY MATTERS

1. The Applicant is familiar with and will adhere to all applicable Authority policies, rules, and orders governing the provision of local exchange telecommunications services in the State of Tennessee.

2. The Applicant's Small and Minority Owned Business Plan is attached as **Exhibit D**.

3. The Applicant's Toll Dialing Parity Plan is attached hereto as **Exhibit E**.

4. Numbering Issues are outlined in **Exhibit F**.

5. Tennessee Specific Operational Issues are outlined in **Exhibit G**.

6. Subsequent to the approval of its *Application*, Twin Lakes Communications will file any necessary tariffs or tariff revisions prior to providing the proposed service covered by this *Application*.

7. A certificate of service stating that notice of this *Application* has been served on all eighteen (18) incumbent local exchange telephone companies in Tennessee is attached hereto.

8. As set forth in **Exhibit G**, Twin Lakes Communications is aware of its obligation to comply with the requirements of county-wide calling, as set forth in Tenn. Code Ann. § 65-21-114.

9. Twin Lakes Communications does not currently collect deposits from first time customers. To the extent that Twin Lakes Communications requires a deposit for the

establishment of service, the same shall be implemented in compliance with the Authority's rules and regulations and as properly provided in and consistent with tariffs.

V. PUBLIC INTEREST STATEMENT

1. Twin Lakes Communications is a seasoned telecommunications provider, and the Federal Communications Commission ("FCC") has determined that Tenn. Code. Ann. § 65-4-201(d) is preempted by federal law.⁵ Moreover, due to said preemption, the Attorney General for the State of Tennessee has issued an opinion that § 65-4-201(d) is not enforceable.⁶

2. The grant of this *Application* will further the public interest by expanding the availability of telecommunications services throughout the State of Tennessee. Specifically, Tennessee consumers will benefit directly through the use of the competitive local services to be offered by Twin Lakes Communications. Twin Lakes Communications will provide more choices for consumers. Further, the public will benefit indirectly because the competitive presence of Twin Lakes Communications will increase the incentives for telecommunications providers to operate more efficiently, offer more innovative services, reduce prices, improve the quality and coverage of their services, and increase investment in broadband infrastructure.

3. The granting of this *Application* would be consistent with the public policy of the State of Tennessee, as set forth at Tenn. Code Ann. § 65-4-123, "to foster the development of an efficient, technologically advanced statewide system of telecommunications services by permitting competition in all telecommunications services market[.]"

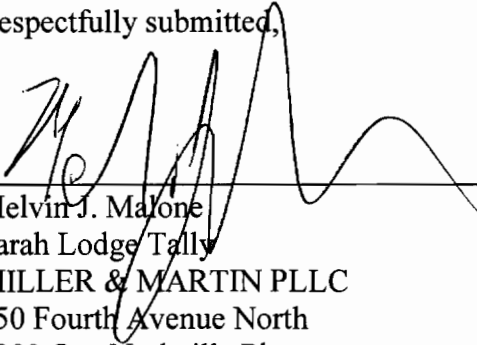
⁵ See *In the Matter of AVR, L.P. d/b/a Hyperion of Tennessee, L.P. Petition for Preemption of Tennessee Code Annotated § 65-4-201(d) and Tennessee Regulatory Authority Decision Denying Hyperion's Application Requesting Authority to Provide Service in Tennessee Rural LEC Areas*, Memorandum Opinion and Order, FCC 99-100, 14 F.C.C.R. 11,064 (rel. May 27, 1999), *aff'd* 16 F.C.C.R. 1247 (Jan. 8, 2001).

⁶ See Office of the Attorney General, Opinion No. 01-036, 2001 Tenn. AG Lexis 36 (Mar. 19, 2001).

VI. CONCLUSION

For the foregoing reasons, Twin Lakes Communications, Inc. respectfully requests the Authority to grant its Certificate of Public Convenience and Necessity on an expedited basis and authorize it to provide telecommunications services, as requested herein, throughout the State of Tennessee.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Sarah Lodge Tally', is written over a horizontal line. The signature is stylized with large, sweeping loops.

Melvin J. Malone
Sarah Lodge Tally
MILLER & MARTIN PLLC
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1200 One Nashville Place
Nashville, Tennessee 37219-2433
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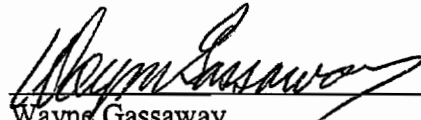
Attorneys for:

Twin Lakes Communications, Inc.

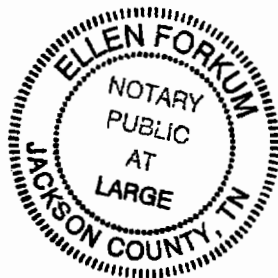
VERIFICATION

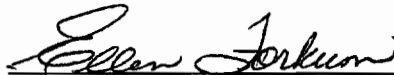
STATE OF TENNESSEE)
COUNTY OF Jackson)

I, Wayne Gassaway, being first duly sworn, make oath that I am the General Manager of Twin Lakes Communications, Inc., that I am authorized to make this oath on behalf of Twin Lakes Communications, Inc., and that the *Application of Twin Lakes Communications, Inc. for a Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services Statewide* submitted to the Tennessee Regulatory Authority, and the statements contained therein, are true, accurate and correct to the best of my knowledge, information and belief.


Wayne Gassaway
General Manager
Twin Lakes Communications, Inc.

Sworn to and subscribed before me this 12th day of March, 2009.




Notary Public

My Commission Expires: 02-29-2012

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy has been forwarded via U.S. Mail to the following on this the 12th day of March 2009.

Ardmore Telephone Company, Inc.
P.O. Box 547
517 Ardmore Avenue
Ardmore, TN 38449

AT&T
333 Commerce Street
Nashville, TN 37201-3300

Century Telephone of Adamsville
P.O. Box 405
116 N. Oak Street
Adamsville, TN 38310

Century Telephone of Claiborne
P.O. Box 100
507 Main Street
New Tazewell, TN 37825

Century Telephone of Ooltewah-Collegedale,
Inc.
P.O. Box 782
5616 Main Street
Ooltewah, TN 37363

Citizens Communications Company of Tennessee
P.O. Box 770
300 Bland Street
Bluefield, WV 24701

Citizens Communications Company of the
Volunteer State
P.O. Box 770
300 Bland Street
Bluefield, WV 24701

Loretto Telephone Company, Inc.
P.O. Box 130
Loretto, TN 38469

Millington Telephone Company, Inc.
4880 Navy Road
Millington, TN 38053

Sprint-United
112 Sixth Street
Bristol, TN 37620

TDS Telecom-Concord Telephone Exchange,
Inc.
P.O. Box 22610
701 Concord Road
Knoxville, TN 37933-0610

TDS Telecom-Humphreys County Telephone
Company
P.O. Box 552
203 Long Street
New Johnsonville, TN 37134-0552

TDS Telecom-Tellico Telephone Company, Inc.
P.O. Box 9
102 Spence Street
Tellico Plains, TN 37385-0009


TDS Telecom-Tennessee Telephone Company
P.O. Box 22995
Knoxville, TN 37933-0995

TEC-Crockett Telephone Company, Inc.
P.O. Box 7
Friendship, TN 38034

TEC-People's Telephone Company, Inc.
P.O. Box 310
Enn, TN 37061

TEC-West Tennessee Telephone Company, Inc.
P.O. Box 10
244 E. Main Street
Bradford, TN 38316

United Telephone Company
P.O. Box 38
120 Taylor Street
Chapel Hill, TN 37034



Melvin J. Malone

EXHIBIT A

BIOGRAPHIES OF OFFICERS, BOARD MEMBERS, AND STAFF

OFFICERS

Larry J. Stafford, President, 167 Stafford Lane, Gainesboro, TN 38562

Mr. Stafford and his wife, Linda, are owners of Outdoor Country in Gainesboro, a store that sells guns, hunting equipment, and hunting and fishing licenses. He has been a member of the Board of Directors since October, 2004, and has actively engaged in the required oversight of Twin Lakes Communications, Inc. (the “Company”). He is also a former employee of Twin Lakes Telephone Cooperative Corporation (“TL Cooperative”).

Gregory H. Brown, Vice President, 5134 Possum Trot Road, Pall Mall, TN 38577

Mr. Brown is the owner of two funeral homes; Brown Funeral Chapel, Byrdstown; and Livingston Funeral Home, Livingston. Mr. Brown is a licensed Funeral Director and Embalmer in the State of Tennessee. He has been a member of the Board of Directors since October, 2006, and has actively engaged in the required oversight of the Company.

Mrs. Gail Myers, Secretary/Treasurer, 1950 Leftwich Road, Baxter, TN 38544

Mrs. Myers is principal of the Jackson County Middle School in Gainesboro, where she has been employed for 19 years. Ms. Myers has been a member of the Board of Directors since October, 2005, and has actively engaged in the required oversight of the Company. She has completed the requirements of the Director Core Curriculum certificate program offered by the National Telecommunications Cooperative Association.

BOARD OF DIRECTORS

Kent J. Brown, Rickman

Mr. Brown has actively farmed for more than 30 years and owns Jared Brown & Son Registered Angus. He has been a member of the Board of Directors of TL Cooperative since March, 1999, and the Company since 2002. He has actively engaged in the required oversight of the Company.

Luke M. Collins, Celina

Mr. Collins is a teacher in the Clay County School System and is the former Mayor of Clay County. Mr. Collins has been a member of the Board of Directors since October, 2006, and has actively engaged in the required oversight of the Company.

Kem Crouch, Jamestown

Mr. Crouch is a customer service representative for the Pepsi Bottling Distributing company. Mr. Crouch has been a member of the Board of Directors since October, 2008, and has actively engaged in the required oversight of the Company.

Douglas G. Elder, Byrdstown

Mr. Elder is a regional salesman for an industrial grain and feed supplier. He has held the following offices on TL Cooperative's Board of Directors: Secretary 1994-1996, 2002; Vice President 1996-1998; and President 1998-2000. He has been a member of the Board of Directors of TL Cooperative since April, 1992, and the Company since 2002. He is actively engaged in the required oversight of the Company.

Gary E. Flynn, Gainesboro

Mr. Flynn is a teacher and high school basketball and golf coach. Mr. Flynn owns a self-serve gas and convenience market business. He has been a member of the Board of Directors since October, 2005, and has actively engaged in the required oversight of the Company. He held the office of Vice President in the 2008 term.

J. David Parsons, Livingston

Mr. Parsons is the owner of Speck Funeral home in Livingston, TN. He is a licensed Funeral Director and Embalmer and a licensed insurance agent. He has been a member of the Board of Directors since October, 2007, and has actively engaged in the required oversight of the Company.

James D. Storie, Celina

Mr. Storie is the sheriff of Clay County and a former Tennessee Highway Patrol officer. He has been a member of the Board since October, 2008, and has actively engaged in the required oversight of the Company.

Ricky E. Strong, Gainesboro

Mr. Strong has been a member of the Board of Directors since October, 2006, and has actively engaged in the required oversight of the Company.

STAFF

Tommy Elkins - Outside Plant Operations Manager

Mr. Elkins is responsible for efficient operation in engineering, construction, removal and maintenance work on telephone aerial and buried plant. He is also responsible for the installation and maintenance of telephone instruments and related equipment. Mr. Elkins performs supervisory duties to ensure the proper operation of engineering, construction and service activities. He ensures an understanding of Rural Utilities Service specifications and instructional guides and sees that all established rules and practices are in compliance with Rural Utilities Service guidelines.

Jonathan West - Plant Engineer

Mr. West plans and designs outside plant installations of telephone wire and cable and coordinates staking of telephone lines, whether new, relocations, or maintenance. He obtains right of way easements from property owners on whom construction is to be done. Mr. West has responsibility for all required records as to the quantity and adequacy of the records.

Additionally, he assists in inspection of Outside Plant Work Orders and contracted construction. He coordinates the design of electronic outside plant equipment and makes cost projections and comparisons of physical and electronic plant. Mr. West aids in budgeting as required and compiles information for loan applications. He is responsible for all the duties assigned to the department and the results achieved.

Chad Anderson - Assistant Network Manager

Mr. Anderson aids the Network Manager with the layout and design of the network facilities. He works with other companies to ensure effective coordination of network facilities and works to ensure efficient operations of the network. Mr. Anderson maintains pertinent plant and switching records. He also works with Rural Utilities Service personnel and engineers to ascertain quality standards of network programming.

Richard Mabry - Inside Plant Operations Manager

Mr. Mabry is responsible for the results achieved in the Plant Department. He provides supervisory guidance to ensure the proper operation of the department. In addition, Mr. Mabry directs the development of staff training and ensures compliance with Rural Utilities Service specifications.

Debbie Dixon - Customer Service Manager

Ms. Dixon maintains and operates efficient Customer Service offices. She establishes and maintains procedure for good public relations with subscribers, associates, telephone industry personnel, and communities in the service area. Ms. Dixon is familiar with all telephone service charges, rates and toll charges established by connecting companies.

Bridget Betcher - Accounting/Settlements Manager

Ms. Betcher maintains financial and accounting records following rural telephone accounting guidelines of Rural Utilities Service and laws governing telephone utility accounting. She monitors new developments and changes in utility accounting procedures. Ms. Betcher is

familiar with telephone system service charges, rates and toll charges established by connecting companies, National Exchange Carrier Association, and Federal Communications Commission. She provides administrative direction to carry out the activities of the Accounting and Settlements Department. Ms. Betcher sees that all entries to the books are accounted for and distributed in accordance with Uniform System of Accounts for Class A telephone companies as prescribed by the FCC and Rural Utilities Service.

EXHIBIT C
AFFILIATE TRANSACTIONS GUIDELINES

INTRODUCTION

Twin Lakes Telephone Cooperative Corporation ("TL Cooperative") is a Tennessee telephone cooperative that was incorporated in Tennessee in 1951 and has its principal office in Gainesboro, Tennessee. TL Cooperative currently provides an array of telecommunications services in its traditional service territory.

Twin Lakes Communications, Inc. ("Twin Lakes Communications") is a separate, wholly-owned subsidiary of TL Cooperative. Twin Lakes Communications is currently authorized to provide long distance telecommunications services statewide in Tennessee. Twin Lakes Communications plans to provide telephone service directly to customers as a Competitive Local Exchange Carrier ("CLEC").

These Affiliate Transaction Guidelines ("Guidelines") apply to transactions between TL Cooperative and Twin Lakes Communications to the extent required by state and federal law. By adopting these Guidelines, neither TL Cooperative nor Twin Lakes Communications intends to expand the jurisdiction of the Federal Communications Commission, the Tennessee Regulatory Authority or other federal or state regulatory authority.

These Guidelines may be amended from time to time by TL Cooperative and Twin Lakes Communications.

AFFILIATE TRANSACTIONS

TL Cooperative will record goods or services provided pursuant to a tariff to Twin Lakes Communications at the tariffed rate. TL Cooperative will record the transfer or sale of non-tariffed goods or services that are provided to Twin Lakes Communications, and provided to unaffiliated outside parties, at the market rate. TL Cooperative will record the transfer or sale of non-tariffed goods or services to Twin Lakes Communications that are not provided to unaffiliated outside parties at fully distributed cost. In the case of an annual charge for facilities or assets, the fully distributed costs will include in lieu of taxes, depreciation expense, maintenance expense, insurance expense, and a return on the investment in the asset. In the case of personnel, the fully distributed cost should include salaries/wages, all employee benefits, payroll taxes, insurance, and pensions. In calculating fully distributed costs, such costs will also include an appropriate share of indirect costs. This includes, but is not limited to, overhead costs and administrative and general costs.

TL Cooperative will record assets sold or transferred to Twin Lakes Communications pursuant to a tariff in the appropriate accounts at the tariffed rate. TL Cooperative will record charges for assets purchased from Twin Lakes Communications in the appropriate accounts at the invoice price if that price is determined by a prevailing price held out to the general public in the normal course of business. If a tariff or prevailing price is not available, TL Cooperative will record assets sold to Twin Lakes Communications or transferred to Twin Lakes Communications at the higher of net book value or estimated fair market value of the asset. If a tariff or prevailing price is not available, TL Cooperative will record assets bought from or transferred from Twin Lakes Communications at the lower of net book value or estimated fair market value of the asset.

EXHIBIT D

SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN

Pursuant to T.C.A. §65-5-112, as amended, Twin Lakes Communications, Inc. (“Twin Lakes Communications”) submits this small and minority-owned Telecommunications business participation plan (the “Plan”) along with its Application for a Certificate of Public Convenience and Necessity to provide competing intrastate and local exchange services in Tennessee.

I. PURPOSE

The purpose of §65-5-112 is to provide opportunities for small and minority-owned businesses to provide goods and services to Telecommunications service providers. Twin Lakes Communications is committed to the goals of §65-5-112 and to taking steps to support the participation of small and minority-owned Telecommunications businesses in the Telecommunications industry. Twin Lakes Communications will endeavor to provide opportunities for small and minority-owned Telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, Twin Lakes Communications will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to Twin Lakes Communications of such opportunities. Twin Lakes Communications’ representatives have already contacted the Department of Economic and Community Development and the administrator of the Small and Minority-Owned Telecommunications Assistance Program, to obtain a list of qualified vendors. Moreover, Twin Lakes Communications will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

II. DEFINITIONS

As defined in §65-5-112.

Minority-Owned Business. Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000).

Small Business. Small Business shall mean a business with annual gross receipts of less than four million dollars (\$4,000,000).

III. ADMINISTRATION

Twin Lakes Communications' Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting Twin Lakes Communications' full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Wayne Gassaway
Twin Lakes Communications, Inc.
201 West Gore Avenue
Gainesboro, Tennessee 38562
Telephone: (931) 268-2151
Facsimile: (931) 268-2734

The Administrator's responsibilities will include:

- (1) Maintaining an updated Plan in full compliance with §65-5-112 and the rules and orders of the Tennessee Regulatory Authority.
- (2) Establishing and developing policies and procedures necessary for the successful implementation of the Plan.

- (3) Preparing and submitting such forms as may be required by the Tennessee Regulatory Authority, including the filing of required annual updates.
- (4) Serving as the primary liaison to and cooperating with the Tennessee Regulatory Authority, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses as defined in §65-5-112.
- (5) Searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.
- (6) Providing records and reports and cooperating in any authorized surveys as required by the Tennessee Regulatory Authority.
- (7) Establishing a record-keeping system to track qualified small and minority-owned businesses and efforts to use such businesses.
- (8) Providing information and educational activities to persons within Twin Lakes Communications and training such persons to seek out, encourage, and promote the use of small and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources, including:

Chambers of Commerce
The Tennessee Department of Economic and Community Development
The United States Department of Commerce
Small Business Administration
Office of Minority Business
The National Minority Supplier Development Counsel
The National Association of Women Business Owners

The National Association of Minority Contractors
Historically Black Colleges, Universities, and Minority Institutions

The efforts to promote and ensure equal opportunities for small and minority-owned businesses are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned businesses will include offering, where appropriate and feasible, small and minority-owned businesses assistance with technical, insurance, bonding, licensing, production, and deadline requirements.

IV. RECORDS AND COMPLIANCE REPORTS

Twin Lakes Communications will maintain records of qualified small and minority-owned business and efforts to use the goods and services of such businesses. In addition, Twin Lakes Communications will maintain records of educational and training activities conducted or attended and of the internal procurement procedures adopted to support this plan. Twin Lakes Communications will submit records and reports required by the Tennessee Regulatory Authority concerning the Plan. Moreover, Twin Lakes Communications will cooperate fully with any surveys and studies required by the Tennessee Regulatory Authority.

Twin Lakes Communications, Inc.

By: 
Administrator

Dated: March 12, 2009.

EXHIBIT E

TWIN LAKES COMMUNICATIONS, INC.'S TOLL DIALING PARITY PLAN

I. INTRODUCTION

Twin Lakes Communications, Inc. ("Twin Lakes Communications") will initiate the process that will give end user customers the opportunity to designate a carrier for their intraLATA and interLATA toll call traffic in those market areas where Twin Lakes Communications is a facilities-based local exchange service provider. IntraLATA toll calls will automatically be directed to the designated carrier without the customer having to dial an access code.

Twin Lakes Communications will comply with all rules of the Federal Communications Commission and the Tennessee Regulatory Authority.

Implementation Schedule: Twin Lakes Communications will provide intraLATA and interLATA toll dialing parity in Tennessee at the time customer service is available.

Cost Recovery: Twin Lakes Communications has no plans at this time to seek cost recovery associated with the implementation of this plan.

II. POLICIES

Twin Lakes Communications will deploy two-PIC (Primary Interexchange Carrier) technology in its switches. This technology will enable the customer to presubscribe to the same or a different carrier for their intraLATA and/or interLATA service.

Appropriate tariffs will be filed in accordance with this plan.

Twin Lakes Communications will offer customers the ability to access all participating carriers by dialing the appropriate access code (101XXXX).

All eligible Twin Lakes Communications end user telephone line numbers will be presubscribed and must have a PIC associated with them.

III. CARRIER INFORMATION

Interexchange carriers will have the option of offering intraLATA service only or intraLATA and interLATA service.

Interexchange carriers will have the option of participating in all market areas or in a specific market area.

Interexchange carriers will be required to return a completed Non-Disclosure Agreement and Participation Agreement(s).

Twin Lakes Communications will not participate in billing disputes for intraLATA service between alternative competing interexchange carriers and their customers.

Twin Lakes Communications representatives will not initiate or accept three-way calls from alternative interexchange carriers to discuss presubscription.

Carriers wishing to participate will be requested to submit Access Service Requests/Translation Questionnaires to the Access Tandem owner and to Twin Lakes Communications.

IV. CALL ELIGIBILITY/TOLL DIALING PLAN

A local service customer of Twin Lakes Communications will have calls routed according to the following plan:

If a Twin Lakes Communications Customer Dials:	The Call is Handled By/Routed To:
911	PSAP on originating line number
411/555-1212	Twin Lakes Communications Director
0-	Assistance Operator
0 + intraexchange number	Twin Lakes Communications Operator
1 + 10 digits	IntraLATA Toll
0 + 7 or 10 digits	Provider IntraLATA
interexchange number	Toll Provider
101XXXX + 0-	InterLATA Toll
101XXXX + 0 + 10 digits	Provider XXXX
101XXXX + 10 digits	Carrier
	XXXX Carrier
	XXXX Carrier

If a Twin Lakes Communications customer originates a call to a carrier Operator by dialing 00-, the call will be routed to the PIC on that customer's line. If the customer originates a call to a carrier Operator by dialing an access code (e.g., 101XXXX + 0-), the call will be routed to the XXXX carrier. In both cases, the carrier's switch is responsible for routing this call to the carrier's Operator or to an announcement.

V. NETWORK INFORMATION.

All originating intraLATA and interLATA traffic will initially be routed via the incumbent Local Exchange Carrier (LEC) Access Tandem(s). Direct trunks between the Twin Lakes Communications switch and the interexchange carrier location(s) may be provisioned where traffic volumes warrant.

Interexchange carriers must have Feature Group D trunks in place (or ordered) between their point of presence and the incumbent LEC Access Tandem(s).

Twin Lakes Communications will route all originating intraLATA and interLATA traffic to the designated carrier and will only block traffic at the request of the end user customer and/or in compliance with regulatory requirements. Requests from carriers to block traffic or to remove customers from their network will not be honored. Calls that cannot be completed to a carrier will be routed to an announcement.

VI. CUSTOMER CONTACT INFORMATION

Twin Lakes Communications customer contact representatives will process customer initiated PIC selections to Twin Lakes Communications or to an alternative intraLATA or interLATA carrier. Carriers will have the option of allowing the Twin Lakes Communications representative to process PIC requests on their behalf.

Twin Lakes Communications customer contact representatives will not comment on a customer's choice of its intraLATA or interLATA PIC when the customer contacts Twin Lakes Communications to change the PIC. Twin Lakes Communications customer contact representatives will respond to customer inquiries about intraLATA or interLATA carriers in a competitively neutral fashion. If a customer requests information relating to carriers other than Twin Lakes Communications, a list of participating carriers will be read to that customer in random order by Twin Lakes Communications representatives.

If the intraLATA or interLATA toll carrier selected by the customer permits Twin Lakes Communications to process orders on its behalf, Twin Lakes Communications will accept the PIC change request. If the customer selects an intraLATA or interLATA toll carrier that does not allow Twin Lakes Communications to process PIC changes on its behalf, Twin Lakes Communications will provide the customer with the carrier's toll-free number (if provided by the carrier).

Twin Lakes Communications representatives will not discuss alternative carrier rates or services and will not provide customers with Carrier Identification Codes or access code dialing instructions.

VII. PRESUBSCRIPTION INFORMATION

A PIC change charge will be incurred and billed to a Twin Lakes Communications customer for each eligible line where a PIC change is made. Twin Lakes Communications offers interexchange carriers the option of having the PIC charge billed to the carrier or to the customer.

New line customers, including customers adding lines, will have the opportunity to select a participating carrier, or they will be assigned a NO PIC designation. If a customer cannot decide upon an intraLATA carrier at the time of order will be assigned a NO PIC designation. Customers assigned a NO PIC designation as set forth in this paragraph will be required to dial an access code to reach an intraLATA or interLATA carrier's network.

If a Twin Lakes Communications customer denies requesting a change in intraLATA or interLATA toll providers as submitted by a carrier, and the carrier is unable to produce a Letter of Agency signed by the customer, the carrier will be assessed a \$30.00 charge for the unauthorized PIC change and the PIC will be changed as per the customer's request, in addition to any other penalties authorized by law.

Alternative interexchange carriers may submit PIC changes to Twin Lakes Communications via a fax/paper interface.

Twin Lakes Communications will process intraLATA and interLATA PIC selections as will be described in its applicable tariffs subsequently filed to the authority for its approval.

Carriers will be required to submit PIC changes using the Customer Account Record Exchange (CARE) format via paper medium. Twin Lakes Communications will provide carriers with PIC order confirmation and reject information using the CARE format. Specific details regarding CARE will be provided to participating carriers.

EXHIBIT F

NUMBERING ISSUES

- A. What is your company's expected demand for NXX's per NPA within a year of approval of your application?

B. **Response:** By taking advantage of local number portability (LNP), Twin Lakes Communications expects to utilize the customers existing telephone number assignments. Therefore, Twin Lakes Communications believes any demand for NXXs within a year of approval will be minimal, if at all.

- C. How many NXX's do you estimate that you will request from NANPA when you establish your service footprint?

Response: As stated earlier, Twin Lakes Communications initially plans to offer its local telephone service to its existing customer base. It is anticipated, and reasonable to assume, that the overwhelming majority of these customers already subscribe to wire-line, local telephone service provided by the ILEC. By taking advantage of local number portability (LNP), Twin Lakes Communications expects to utilize the customers existing telephone number assignments whenever possible.

- D. When and in what NPA do you expect to establish your service footprint?

Response: Immediately upon the Tennessee Regulatory Authority's granting of a certificate to Twin Lakes Communications and Twin Lakes Communications' satisfaction of all other requirements such as tariff filing and E-911 call routing, the company plans offer service in the 931 and 615 NXXs.

- E. Will the company sequentially assign telephone numbers within NXX's?

Response: In order to conserve telephone numbering resources, Twin Lakes Communications will, in all cases possible, assign telephone numbers on a sequential basis. Specific attention will be given to maintaining contiguous thousand block groups of numbers in order to support applicable number pooling guidelines.

- F. What measures does the company intend to take to conserve Tennessee numbering resources?

Response: As previously stated, in order to conserve telephone numbering resources, Twin Lakes Communications will, in all cases possible, assign telephone numbers on a sequential basis. Specific attention will be given to maintaining contiguous thousand block groups of numbers in order to support applicable number pooling guidelines. Additionally, Twin Lakes Communications will take advantage of local number

portability in order to maintain utilization of existing telephone number assignments and ensure a high level of customer satisfaction.

- G. When ordering new NXX's for growth, what percentage fill of an existing NXX does the company use to determine when a request for a new NXX will be initiated?

Response: Pursuant to the International Numbering Committee's (INC) "*Central Office Code (NXX) Assignment Guidelines, Section 4.3.1*" dated February 4, 2005, when ordering new NXX's for growth, Twin Lakes Communications will ensure that a minimum of seventy-five percent (75%) of an assigned NXX is exhausted prior to application for an additional NXX. Additionally, Twin Lakes Communications will apply for additional codes only when it expects the existing codes in a given rate center will exhaust within a six month period.

EXHIBIT G

TENNESSEE SPECIFIC OPERATIONAL ISSUES

- A. How does the company intend to comply with T.C.A. §65-21-114? In its description, please explain technically how the company will not bill for countywide calls within Tennessee.

Response: In compliance with T.C.A. §65-21-114, Twin Lakes Communications will provide customers county wide calling at no charge. In order to do so, Twin Lakes Communications will periodically update database entries in the BellSouth/AT&T County Wide Calling (CWC) system. These updates will occur, at a minimum, on a bi-monthly basis in order to ensure that Twin Lakes Communications customer telephone numbers are flagged with the appropriate Taxing Area (TAR) Code as all carriers are required to do.

Additionally, on a bi-monthly basis, Twin Lakes Communications will process the TAR Master File provided by BellSouth/AT&T. In doing so, terminating numbers in call records originated by Twin Lakes Communications customers will be matched against the TAR Master File in order to determine, based on TAR, whether or not the terminating numbers is within the same county as the originating number. If so, the Twin Lakes Communications billing system will ensure that the call is “zero-rated” and the customer is not charged in any way for the call.

- B. Is the company aware of the Tennessee County Wide Calling database maintained by BellSouth/AT&T and the procedures to enter your telephone numbers on the database?

Response: Twin Lakes Communications is aware of the Tennessee County Wide Calling database maintained by BellSouth/AT&T. This database is maintained by BellSouth/AT&T in order to support county wide calling to residents of Tennessee at no charge. Twin Lakes Communications is aware of the process to update the database entries with the appropriately assigned TAR code in a timely manner.

- C. Is your company aware of the local calling areas provided by the Incumbent Local Exchange Carriers in your proposed service areas?

Response: Yes. Twin Lakes Communications will offer a local calling area that overlays the ILEC provider’s local calling area. This is intended to ensure the transition to Twin Lakes Communications provided telephone service is without inconvenience for the customer or perceived interruption of service.

Additionally, Twin Lakes Communications will provide local and long distance service in a manner consistent with the rules and intent of the Tennessee Regulatory Authority specifically including access to E-911 services and access to County Wide Calling (CWC) service at no additional charge to Twin Lakes Communications’ customer base.

- D. Explain the procedures that will be implemented to assure that your customers will not be billed long distance charges for calls within the metro calling areas.

Response: Twin Lakes Communications will utilize a combination of NPA-NXX screening and database filtering processes to prevent customers from receiving long distance charges for calls made within the metro area. These processes will be utilized in both the network switching equipment originating the calls and the back-office billing systems used to process and rate the calls.

- E. Please provide the name and telephone number of an employee of your company that will be responsible to work with the TRA on resolving customer complaints.

Response: Although Twin Lakes Communications anticipates no complaints from customers significant enough to warrant TRA involvement, Twin Lakes Communications is committed to resolving any complaints that may arise and will do so in the best interest of the customer. As such, Twin Lakes Communications has identified one of its officers to work with the TRA on resolving any customer complaints that may arise. This officer is:

Wayne Gassaway
Twin Lakes Communications, Inc.
201 West Gore Avenue
Gainesboro, Tennessee 38562
Telephone: (931) 268-2151
Facsimile: (931) 268-2734

- F. Does the company intend to telemarket its services in Tennessee? If yes, is the company aware of the telemarketing statutes and regulations found in T.C.A. §65-4-401 *et seq.* And Chapter 1220-4-11?

Response: Presently, Twin Lakes Communications plans to offer telephone service only to current Twin Lakes Communications customers. While telemarketing is not considered by Twin Lakes Communications to be a critical part of its sales and marketing strategy, Twin Lakes Communications may engage in the solicitation of business from its current customer base. As such, Twin Lakes Communications is aware of, understands, and is committed to abiding by the statutes and regulations found in T.C.A. §65-4-401 *et seq.* regarding the telemarketing of products and services to consumers.

Additionally, Twin Lakes Communications is committed to following the guidelines set forth in the Rules of the Tennessee Regulatory Authority – Consumer Services Division Chapter 1220-4-11 concerning telephone solicitation and the Tennessee Do Not Call Register. Twin Lakes Communications is also aware of the registration requirements and associated fees required by the Tennessee Regulatory Authority and is committed to paying any, and all, appropriate fees required by TRA for telephone solicitor registration.

IN RE:

Docket No.

March 11, 2009

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Wayne Gassaway, and my business address is Twin Lakes
3 Communications, Inc., 201 West Gore Avenue, Gainesboro, Tennessee 38562.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am the General Manager for Twin Lakes Communications, Inc. ("Twin Lakes
6 Communications" or "Applicant").

7 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS**
8 **EXPERIENCE.**

9 A. I have been involved in the telecommunications industry for 40 years. I am
10 currently employed as the General Manager of Twin Lakes Telephone Cooperative
11 Corporation ("TL Cooperative"), and I have served in this capacity with TL Cooperative
12 for 2 years. I have also served as the General Manager of Twin Lakes Communications
13 since 2006. Prior to joining TL Cooperative, I was employed by Dekalb Telephone
14 Cooperative for 16 years as its General Manager. Before that, I worked as General
15 Manager of Filer Mutual Telephone in Filer, Idaho for 2 and one half years. I began my
16 career with South Central Telephone Cooperative in Glasgow Kentucky in 1968. I
17 worked in positions of engineering and operations for 18 years. I have a BS in
18 Management from Lewis Clark College in Lewiston, Idaho.

19 .

20

21

22

23 .

24 **Q. FOR WHOM ARE YOU TESTIFYING IN THIS PROCEEDING?**

25 A. I am testifying on behalf of Twin Lakes Communications.

26 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

27 A. The purpose of my testimony is to support the *Application of Twin Lakes*
28 *Communications.*

29 **Q. PLEASE DESCRIBE THE CORPORATE STRUCTURE OF TWIN LAKES**
30 **COMMUNICATIONS.**

31 A. Twin Lakes Communications is a wholly-owned subsidiary of Twin Lakes
32 Telephone Cooperative Corporation (“TL Cooperative”) and is currently authorized to
33 provide long distance telecommunications services statewide in Tennessee. TL
34 Cooperative is a telephone cooperative that was incorporated in Tennessee in 1951 and
35 provides a full array of telecommunications and broadband services in approximately
36 eight (8) Tennessee counties, servicing fifteen (15) exchanges. Twin Lakes
37 Communications’ license to do business, its charter and its by-laws are currently on
38 file with the Authority.¹

39 **Q. PLEASE DESCRIBE TWIN LAKES COMMUNICATIONS’ OPERATIONS IN**
40 **THE STATE OF TENNESSEE.**

41 A. In its January 27, 2003, *Order Granting Authority to Provide Operator Services*
42 *and/or Resell Telecommunication Service in Tennessee* in Case Number 02-01342 (the
43 “2003 Order”), the Tennessee Regulatory Authority (“Authority” or “TRA”) found that
44 Twin Lakes Communications had sufficient managerial, technical and financial support

¹ See *In Re: Company ID: 128818, Order Granting Authority to Provide Operator Services and/or Resell Telecommunication Service in Tennessee*, TRA Case No. 02-01342 (Jan. 27, 2003) (“2003 Order”).

45 to warrant certification to provide long distance telecommunications service.² The
46 Authority also found that Twin Lakes Communications had complied with all applicable
47 Authority rules and regulations relevant to its reseller application. Twin Lakes
48 Communications currently offers long distance services primarily to Tennesseans in the
49 eight (8) counties serviced by TL Cooperative, namely Clay, DeKalb, Fentress, Jackson,
50 Overton, Pickett, Putnam, and Smith Counties.

51 **Q. WHAT IS TWIN LAKES COMMUNICATIONS SEEKING IN ITS**
52 **APPLICATION IN THIS DOCKET?**

53 A. Twin Lakes Communications is currently seeking expanded authority to provide a
54 full array of telecommunications services on a statewide basis, as business conditions
55 warrant, including, but not limited to, in the areas served by incumbent local exchange
56 carriers with less than 100,000 total access lines in Tennessee. In addition to its current
57 offerings, described above, Twin Lakes Communications intends to offer a full range of
58 telecommunications services, including, but not limited to, dedicated and switched access
59 services, private line services, local dial tone, 911 and E911 emergency services,
60 enhanced services and all other Authority-required Rule 1220-4-8-.04(3)(b) services. In
61 providing such services, Twin Lakes Communications will utilize capacity on TL
62 Cooperative's network and, where appropriate and necessary, supplement its services by
63 leasing the facilities of third party carriers and/or by reselling services.

² See 2003 Order.

64 Q. WHY IS TWIN LAKES COMMUNICATIONS SEEKING EXPANDED
65 AUTHORITY?

66 A. Twin Lakes Communications desires to expand its offerings of
67 telecommunications services throughout the State of Tennessee in order to provide more
68 consumers with increased carrier choices, competitive pricing, increased reliability,
69 responsiveness, and innovation. The granting of this *Application* will provide significant
70 benefits to Tennessee consumers and thereby serve the public interest.

71 Q. DOES TWIN LAKES COMMUNICATIONS MEET THE STATUTORY
72 REQUIREMENTS SET FORTH IN TENN. CODE ANN. § 65-4-201(c)?

73 A. Yes. Before issuing the *2003 Order*, the Authority reviewed and evaluated Twin
74 Lakes Communications' managerial, financial and technical abilities. Since that time,
75 Twin Lakes Communications has gained valuable experience as a telecommunications
76 provider. This experience provides Twin Lakes Communications with the foundation
77 necessary to provide the proposed telecommunications services and to further serve
78 Tennessee's telecommunications consumers. Twin Lakes Communications is
79 managerially qualified to provide telecommunications services statewide. Attached as
80 **Exhibit A** to the *Application* is a list of the names of the Applicant's principal company
81 officers and a description of each officer's background and experience. As shown in this
82 exhibit, these officers of the company have substantial managerial experience in the areas
83 of utility engineering, utility operations, utility customer service and utility marketing.

84 Twin Lakes Communications is financially qualified to provide the proposed
85 telecommunications services statewide. As a provider of long distance services in
86 Tennessee, Twin Lakes Communications has been profitable since its inception in

87 October 2003. Attached as **Exhibit B** to the *Application* is the 2008 Annual Report of
88 TL Cooperative,³ which demonstrates that Twin Lakes Communications is financially
89 qualified to provide local exchange services.

90 Before issuing the *2003 Order*, the Authority reviewed and evaluated Twin Lakes
91 Communications' technical abilities. The TRA granted the requested authority in 2003
92 based, in part, upon finding that Twin Lakes Communications possessed the requisite
93 technical qualifications to provide long distance telecommunications services in
94 Tennessee. Since that time, Twin Lakes Communications has gained valuable
95 telecommunications experience and successfully serviced its telecommunications
96 customers. Again, information concerning the technical expertise of Twin Lakes
97 Communications' senior management team is included in **Exhibit A** to the *Application*.
98 This experience provides Twin Lakes Communications with the foundation necessary to
99 provide the proposed telecommunications services and to serve Tennessee's
100 telecommunications consumers. Hence, Twin Lakes Communications is technically
101 qualified to offer local exchange services.

102 **Q. WILL TWIN LAKES COMMUNICATIONS CONTINUE TO COMPLY WITH**
103 **THE TRA'S POLICIES, RULES, AND ORDERS?**

104 A. Yes. And, subsequent to the approval of its *Application*, Twin Lakes
105 Communications will file any necessary tariffs or tariff revisions prior to providing the
106 expanded services proposed in the *Application*. Further, to the best of its knowledge,

³ The 2008 Annual Report of TL Cooperative contains the consolidated balance sheets of TL Cooperative and Twin Lakes Communications.

Twin Lakes Communications served the *Application* on all eighteen (18) incumbent local exchange telephone companies in Tennessee.

Q. WILL TWIN LAKES COMMUNICATIONS COMPLY WITH STATE LAW IN RELATION TO ITS REQUEST FOR EXPANDED AUTHORITY?

A. Yes.

Q. WILL THE GRANTING OF THE *APPLICATION* SERVE THE PUBLIC INTEREST?

A. Yes. The Authority issued the *2003 Order* based, in part, upon finding that granting the same was in the public interest. Since that time, Twin Lakes Communications has developed and matured as a seasoned telecommunications provider. The granting of this *Application* will further the public interest by expanding the availability of telecommunications services, consistent with state law and as Twin Lakes Communications' business circumstances permit, throughout the State of Tennessee. Specifically, Tennessee consumers will benefit directly through the use of the competitive local services to be offered by Twin Lakes Communications. Further, the public will benefit indirectly because the competitive presence of Twin Lakes Communications will increase the incentives for telecommunications providers to operate more efficiently, offer more innovative services, reduce prices, improve the quality and coverage of their services, and increase investment in broadband infrastructure. Finally, the granting of this *Application* would be consistent with the public policy of the State of Tennessee, as set forth at Tenn. Code Ann. § 65-4-123, "to foster the development of an efficient, technologically advanced statewide system of telecommunications services by permitting competition in all telecommunications services market[.]"

130 Q. IS THE *APPLICATION* TRUE AND CORRECT TO THE BEST OF YOUR
131 KNOWLEDGE, INFORMATION AND BELIEF?

132 A. Yes.

133 Q. DOES THIS CONCLUDE YOUR PRE-FILED TESTIMONY?

134 A. Yes, it does. Thank you.



JACKSON BANK & TRUST

An FSGBank

Tennessee Regulatory Authority
460 James Roberson Parkway
Nashville, TN 37243-0505

REFERENCE: Name of Company authorized by TRA: Twin Lakes Communications, Inc.
Company ID # as assigned by the TRA: 48-1279798
Irrevocable Letter of Credit Number: 2425
Effective Date: 01-30-09
Expiration Date: 01-30-10

Sir/Madam:

You have requested of Jackson Bank & Trust (the "Lender") that we establish an irrevocable letter of credit which will remain available on behalf of Twin Lakes Communications, Inc. (the "Company") who has applied to the Tennessee Regulatory Authority (the "TRA") for authority to provide telecommunications services in the state of Tennessee. The purpose of this letter of credit is to secure payment of any monetary sanction imposed against the Company, its representatives, successors or assigns, in any enforcement proceeding brought under Title 66 of Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the TRA.

We hereby establish and issue, in favor of the TRA, an irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000.00) lawful money of the United States of America. The TRA may draw upon this letter of credit, at any time and from time to time, by delivering a Letter of Credit Notice, substantially in the form below (a "Notice"), which Notice shall specify the amount (the "Draw Amount") to be drawn and the bank account (the "Bank Account") to which the Draw Amount should be delivered and shall be signed by an official designated and duly authorized by the TRA, to Lender at the address listed below, or to such other address as the Lender shall notify the TRA in writing by certified mail. Promptly after the delivery of each Notice, the Lender hereby covenants and agrees to deliver, by wire transfer of immediately available funds, the Draw Amount to the Bank Account.

This letter of credit shall be deemed automatically renewed without amendment for successive one-year periods and may be canceled by the Lender giving thirty (30) days advanced written notice by certified mail of such cancellation to the TRA and the Company. It being understood that the Lender shall not be relieved of liability that may have accrued under this letter of credit prior to the date of cancellation.

307 Hull Avenue
Gainesboro, TN 38562
931-268-2161
Fax 931-268-9541

376 West Jackson St.
Cookeville, TN 38501
931-372-9212
Fax 931-372-9223

www.fsgbank.com

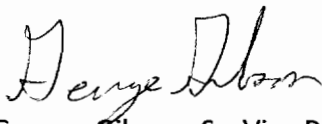
Home Style Banking

The Lender hereby represents and warrants that it is qualified and authorized to issue this letter of credit and is a bank designated by the Treasurer of the State of Tennessee as an authorized depository bank for the deposit of state funds.

Except as otherwise expressly stated, this letter of credit is subject to the Uniform Customs and Practice for Documentary Credit (1993 Revision) International Chamber of Commerce Publication No. 500, or any revisions thereto.

Yours Very Truly,

Jackson Bank & Trust

A handwritten signature in cursive script, appearing to read "George Gibson".

George Gibson, Sr. Vice President

P O Box 97

Gainesboro, TN 38562

TWIN LAKES TELECOMMUNICATIONS, INC P O BOX 696 GAINESBORO, TN 38562	JACKSON BANK & TRUST - GAINESBORO AN FSGBANK, N.A. 307 HULL AVENUE GAINESBORO, TN 38562	Loan Number <u>2425</u> Date <u>01-30-2009</u> Maturity Date <u>01-30-2010</u> Loan Amount \$ <u>20,000.00</u> Renewal Of _____
BORROWER'S NAME AND ADDRESS "I" includes each borrower above, jointly and severally.	LENDER'S NAME AND ADDRESS "You" means the lender, its successors and assigns.	

For value received, I promise to pay to you, or your order, at your address listed above the **PRINCIPAL** sum of TWENTY THOUSAND AND NO/100 Dollars \$ 20,000.00

☐ **Single Advance:** I will receive all of this principal sum on _____. No additional advances are contemplated under this note.

☒ **Multiple Advance:** The principal sum shown above is the maximum amount of principal I can borrow under this note. On 01-30-2009 I will receive the amount of \$ _____ and future principal advances are contemplated.

Conditions: The conditions for future advances are UPON FSGBANK, NA, APPROVAL

☐ **Open End Credit:** You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on _____.

☒ **Closed End Credit:** You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

INTEREST: I agree to pay interest on the outstanding principal balance from 01-30-2009 at the rate of 5.500% per year until 01-30-2010.

☐ **Variable Rate:** This rate may then change as stated below.

☐ **Index Rate:** The future rate will be _____ the following index rate: _____

☐ **No Index:** The future rate will not be subject to any internal or external index. It will be entirely in your control.

☐ **Frequency and Timing:** The rate on this note may change as often as _____ A change in the interest rate will take effect _____.

☐ **Limitations:** During the term of this loan, the applicable annual interest rate will not be more than _____ % or less than _____ % The rate may not change more than _____ % each _____.

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:

☐ The amount of each scheduled payment will change. ☐ The amount of the final payment will change.

☐ _____

ACCRUAL METHOD: Interest will be calculated on a ACTUAL/365 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:

☒ on the same fixed or variable rate basis in effect before maturity (as indicated above).

☐ at a rate equal to _____.

☒ **LATE CHARGE:** If a payment is made more than 10 days after it is due, I agree to pay a late charge of 5.000% OF THE LATE AMOUNT WITH A MIN OF \$10.00 AND A MAX OF \$999.99

☒ **ADDITIONAL CHARGES:** In addition to interest, I agree to pay the following charges which ☐ are ☒ are not included in the principal amount above: \$100.00 FEE

PAYMENTS: I agree to pay this note as follows:

MONTHLY PAYMENTS OF ACCRUED INTEREST CALCULATED ON THE AMOUNT OF CREDIT OUTSTANDING BEGINNING ON 02-02-2009 AND PRINCIPAL DUE ON 01-30-2010.

☐ **Unpaid Interest:** Any accrued interest not paid when due (whether due by reason of a schedule of payments or due because of Lender's demand) will become part of the principal thereafter, and will bear interest at the interest rate in effect from time to time as provided for in this agreement.

ADDITIONAL TERMS:

IRREVOCABLE STANDBY LETTER OF CREDIT APPLICATION

Issuer Name and Address: JACKSON BANK & TRUST - GAINESBORO
AN FSG BANK, N.A.
307 HULL AVENUE GAINESBORO, TN 38562

DATE AND PARTIES. The date of this Irrevocable Standby Letter of Credit Application (Application) is 01-30-2009.
The parties and their addresses are:

APPLICANT

TWIN LAKES TELECOMMUNICATIONS, INC
P O BOX 696
GAINESBORO, TN 38562

BENEFICIARY

TENNESSEE REGULATORY AUTHORITY
460 JAMES ROBERTSON PKY, NASHVILLE, TN 37243

APPLICATION. Applicant requests that Issuer issue an Irrevocable Standby Letter of Credit (Letter of Credit) in favor of Beneficiary for the account of Applicant up to the aggregate sum of \$ 20,000.00 (TWENTY THOUSAND AND NO/100 U.S. Dollars). The Letter of Credit should be available by draft or drafts drawn in United States dollars on you at sight when accompanied by the following documents:

- ☒ The original Letter of Credit, together with any amendments.
- ☒ A sight draft drawn by Beneficiary on Issuer.
- ☒ A signed statement by Beneficiary including the following statement: BENEFICIARY'S SIGNED STATEMENT THAT CUSTOMER HAS FAILED TO PAY.
- ☒ Other documents: COPIES OF UNPAID INVOICES AND/OR BILLS.

Issuer should advise of the existence of this Letter of Credit by certified United States First Class mail to:

- ☐ Advising Bank (provide name and address: _____)
- ☒ Beneficiary

EXPIRATION. This Letter of Credit will expire at Issuer's office at 5:00 P M (time) on 01-30-2010 (date).

DRAWINGS. ☒ Partial drawings should not be permitted under this Letter of Credit.
☐ Partial drawings will be permitted. The maximum number of drawings that may be made on this Letter of Credit is _____.

TRANSFERABILITY. This Letter of Credit is ☐ transferable ☒ non-transferable.

SPECIAL INSTRUCTIONS:

PAYMENT. Applicant authorizes Issuer to debit drawings, fees, and other charges incurred under this Letter of Credit and Reimbursement Agreement to account No. _____, or to any other account or accounts as agreed in this Application or Reimbursement Agreement.

INTEREST. Applicant agrees to pay Issuer interest on all amounts owing under the terms of this Application and Reimbursement Agreement from the date Issuer is first entitled to demand payment at a rate of:

- ☒ 5.500 percent
- ☐ _____ percent above Issuer's prime rate then in effect. The Prime Rate is quoted by _____ as adjusted and announced from time to time. This Index is used by Issuer as a benchmark for determining the interest rate on certain commercial loans and, depending on the circumstances, loans may be priced at or above the Prime Rate. The interest rate applicable to this Application will change as the Prime Rate changes.
- ☐ _____

FEES AND CHARGES. Applicant agrees to pay the following fees and charges for this transaction:

\$100.00

TWIN LAKES TELECOMMUNICATIONS, INC P.O. BOX 696 GAINESBORO, TN 38562	JACKSON BANK & TRUST - GAINESBORO AN FSG BANK, N.A. 307 HULL AVENUE GAINESBORO, TN 38562	Line of Credit No. 2425 Date 01-30-2009 Max. Credit Amt. 20,000.00 Loan Ref. No. 2425
BORROWER'S NAME AND ADDRESS "I" includes each borrower above, jointly and severally.	LENDER'S NAME AND ADDRESS "You" means the lender, its successors and assigns.	

You have extended to me a line of credit in the **AMOUNT** of TWENTY THOUSAND AND NO/100 \$ 20,000.00.
You will make loans to me from time to time until 12:00 P.m. on 01-30-2010. Although the line of credit expires on that date, I will remain obligated to perform all my duties under this agreement so long as I owe you any money advanced according to the terms of this agreement, as evidenced by any note or notes I have signed promising to repay these amounts.
This line of credit is an agreement between you and me. It is not intended that any third party receive any benefit from this agreement, whether by direct payment, reliance for future payment or in any other manner. This agreement is not a letter of credit.

1. AMOUNT: This line of credit is:

- ☐ **OBLIGATORY:** You may not refuse to make a loan to me under this line of credit unless one of the following occurs:
- I have borrowed the maximum amount available to me;
 - This line of credit has expired;
 - I have defaulted on the note (or notes) which show my indebtedness under this line of credit;
 - I have violated any term of this line of credit or any note or other agreement entered into in connection with this line of credit;
 - _____

☒ **DISCRETIONARY:** You may refuse to make a loan to me under this line of credit once the aggregate outstanding advances equal or exceed TWENTY THOUSAND AND NO/100 \$ 20,000.00.

Subject to the obligatory or discretionary limitations above, this line of credit is:

- ☐ **OPEN-END (Business or Agricultural only):** I may borrow up to the maximum amount of principal more than one time.
☒ **CLOSED-END:** I may borrow up to the maximum only one time.

2. PROMISSORY NOTE: I will repay any advances made according to this line of credit agreement as set out in the promissory note, I signed on 01-30-2009, or any note(s) I sign at a later time which represent advances under this agreement. The note(s) set(s) out the terms relating to maturity, interest rate, repayment and advances. If indicated on the promissory note, the advances will be made as follows:
UPON FSG BANK, NA, APPROVAL

3. RELATED DOCUMENTS: I have signed the following documents in connection with this line of credit and note(s) entered into in accordance with this line of credit:

- ☐ security agreement dated _____ ☐ _____
☐ mortgage dated _____ ☐ _____
☐ guaranty dated _____ ☐ _____

4. REMEDIES: If I am in default on the note(s) you may:

- take any action as provided in the related documents;
- without notice to me, terminate this line of credit.

By selecting any of these remedies you do not give up your right to later use any other remedy. By deciding not to use any remedy should I default, you do not waive your right to later consider the event a default, if it happens again.

5. COSTS AND FEES: If you hire an attorney to enforce this agreement I will pay your reasonable attorney's fees, where permitted by law. I will also pay your court costs and costs of collection, where permitted by law.

6. COVENANTS: For as long as this line of credit is in effect or I owe you money for advances made in accordance with the line of credit, I will do the following:

- maintain books and records of my operations relating to the need for this line of credit;
- permit you or any of your representatives to inspect and/or copy these records;
- provide to you any documentation requested by you which support the reason for making any advance under this line of credit;
- permit you to make any advance payable to the seller (or seller and me) of any items being purchased with that advance;

e. _____

7. NOTICES: All notices or other correspondence with me should be sent to my address stated above. The notice or correspondence shall be effective when deposited in the mail, first class, or delivered to me in person.

8. MISCELLANEOUS: This line of credit may not be changed except by a written agreement signed by you and me. The law of the state in which you are located will govern this agreement. Any term of this agreement which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation.

FOR THE LENDER

Patsy Bowman

PATSY BOWMAN

Title LOAN OFFICER

SIGNATURES: I AGREE TO THE TERMS OF THIS LINE OF CREDIT. I HAVE RECEIVED A COPY ON TODAY'S DATE.

Larry J. Steffal pres.
William J. Steffal Gen. Mgr.

IRREVOCABLE STANDBY LETTER OF CREDIT

ISSUER: JACKSON BANK & TRUST - GAINESBORO
AN FSG BANK, N.A.
307 HULL AVENUE
GAINESBORO, TN 38562

Date of Issue: 01-30-2009 Letter of Credit Number: 2425

Amount: U.S. \$ 20,000.00
(TWENTY THOUSAND AND NO/100 U.S. DOLLARS)

For Benefit Of:
Beneficiary Name and Address

TENNESSEE REGULATORY AUTHORITY
460 JAMES ROBERTSON PKY, NASHVILLE, TN 37243

For Account Of:
Applicant Name and Address

TWIN LAKES TELECOMMUNICATIONS, INC
P O BOX 696
GAINESBORO, TN 38562

LETTER OF CREDIT. Issuer establishes this Irrevocable Standby Letter of Credit (Letter of Credit) in favor of Beneficiary in the amount indicated above. Beneficiary may draw on this Letter of Credit with a Draft (or Drafts, if the maximum number of drawings is greater than one) together with the documents described below. Each Draft shall be signed on behalf of Beneficiary and be marked "Drawn under [Issuer name] Letter of Credit No. [Letter of Credit number] dated [Letter of Credit date]." Drafts must be presented at Issuer's address shown above on or before the Expiration Date. The presentation of any Draft shall reduce the Amount available under this Letter of Credit by the amount of the Draft.

This Letter of Credit sets forth in full the terms of Issuer's obligation to Beneficiary. This obligation cannot be modified by any reference in this Letter of Credit, or any document to which this Letter of Credit may be related.

This Letter of Credit expires on the Expiration Date.

DRAWINGS.

- ☐ Partial drawings shall not be permitted under this Letter of Credit.
☒ Partial drawings are permitted. The maximum number of drawings that may be made is _____.

DOCUMENTS. Each Draft must be accompanied by the following, an original and two copies except as stated:

- ☒ The original Letter of Credit, together with any amendments.
☒ A sight draft drawn by Beneficiary on Issuer.
☒ A signed statement by Beneficiary including the following statement: SIGNED STATEMENT THAT CUSTOMER HAS FAILED TO PAY.
☒ Other documents: COPIES OF UNPAID INVOICES AND/OR BILLS.

Issuer shall be entitled to accept a draft and the documentation described above, as required by the terms of this Letter of Credit, from any person purporting to be an authorized officer or representative of Beneficiary without any obligation or duty on the part of Issuer to verify the identity or authority of the person presenting the draft and such documentation.

SPECIAL INSTRUCTIONS:

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IRREVOCABLE STANDBY LETTER OF CREDIT REIMBURSEMENT AGREEMENT

DATE AND PARTIES. The date of this Irrevocable Standby Letter of Credit Reimbursement Agreement (Agreement) is 01-30-2009

. The parties and their addresses are:

APPLICANT

TWIN LAKES TELECOMMUNICATIONS, INC
P O BOX 696
GAINESBORO, TN 38562

ISSUER

JACKSON BANK & TRUST - GAINESBORO
AN FSG BANK, N.A.
307 HULL AVENUE
GAINESBORO, TN 38562

CONSIDERATION AND SCOPE. In consideration of Issuer opening any Letter of Credit (Credit) in Applicant's favor, Applicant agrees to the terms of this Agreement. This Agreement shall govern any Credit issued by Issuer on or after the date of this Agreement, except as expressly provided to the contrary in writing when the Credit is applied for and issued. This Agreement is not a commitment by Issuer to issue any Credit. Any Credit issued and subject to this Agreement will be pursuant to a separate Letter of Credit Application (Application for Credit) that is accepted by Issuer. In this Agreement, "Beneficiary" means any beneficiary of any Credit.

REIMBURSEMENT TERMS. Applicant agrees to reimburse Issuer immediately for Credit according to the following terms.

- (a) **Payment Of Draw Amounts.** Applicant agrees to pay Issuer upon demand the amount of any draft or request for payment Issuer has honored or will honor purporting to be drawn or made under any Credit. If requested by Issuer, Applicant shall pay such amounts in advance of the date Issuer or a confirming bank is to honor the draft or request for payment. Applicant shall pay such amount in good U.S. funds at the Issuer's address indicated in the DATE AND PARTIES section of this Agreement.
- (b) **Payment of Fees.** Applicant agrees to pay the following fees, plus interest on such amounts at the rate indicated in the corresponding Application for Credit: (1) all out-of-pocket expenses incurred by Issuer or its correspondents or imposed by its correspondents in connection with this Agreement; (2) any commission and other fees as may be agreed to between Applicant and Issuer or, in the absence of such agreement, in such reasonable amounts as may be determined by Issuer; and (3) the amount determined by Issuer to adequately reimburse it for its increased cost to maintain any Credit caused by any change in any law or regulation or in the interpretation of any law or regulation (such increases may include, among other things, a tax or governmental charge, a reserve or similar requirement, or the need to include the Credit in Issuer's calculations relating to its capital requirements).
- (c) **Payment of Interest.** Applicant agrees to pay Issuer interest on all amounts owing under the terms of this Agreement at the rate specified in the Application for the Credit. Interest shall begin to accrue on the date Issuer is first entitled to demand payment according to the terms of this Agreement. Issuer's acceptance of interest does not waive its right to demand and require immediate payment of amounts owing under this Agreement. No provision of this Agreement shall require the payment of interest at a rate greater than the maximum rate allowed by applicable law.
- (d) **Authorization to Charge Applicant's Account.** Applicant authorizes Issuer to charge Applicant's account as indicated in the Application for Credit for all amounts due under this Agreement and any Credit.

SECURITY. This Agreement is secured by the following described security instruments or agreements:

PROMISSORY NOTE OF EVEN DATE.

CONDITIONS. Applicant will satisfy all of the following conditions prior to any obligation by the Issuer to issue any Credit. These are the minimum conditions under which Issuer would consider issuing any Credit, but satisfaction of these conditions does not commit Issuer to issuing any Credit under this Agreement.

- (a) There has not been a default under this Agreement or any other agreement Applicant has with Issuer, nor would issuance of Credit cause such a default.
- (b) Issuer has received all documents, information, certifications, and warranties as Issuer may require, all properly executed, if appropriate, on forms acceptable to Issuer. This includes, but is not limited to, Applications for Credit, security instruments, and other supporting documentation.
- (c) Applicant will have performed and complied with all conditions required for issuance of Credit in this Agreement and all other agreements made in conjunction with issuing Credit.
- (d) The warranties and representations contained in this Agreement are true and correct at the time of applying for the Credit.
- (e) Applicant's most recent financial statements and other financial reports, delivered to Issuer, are current, complete, true and accurate in all material respects and fairly represent Applicant's financial condition.
- (f) No proceeding under the United States Bankruptcy Code have been commenced by or against Applicant or any affiliate of Applicant.

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The users of the Credit shall be deemed Applicant's agents and Applicant shall assume all risks of their acts or omissions. Neither Issuer nor Issuer's correspondents shall be responsible for (a) the adequacy or validity of any insurance or insurer; (b) the validity, sufficiency or genuineness of documents, even if they are ultimately proven to be in any or all respects invalid, insufficient, fraudulent or forged; (c) the solvency or responsibility of any party issuing any documents; (d) delay in arrival or failure to arrive of any documents; (e) delay in giving or failure to give notice of arrival or any other notice; (f) failure of any draft to bear adequate reference to the Credit; (g) failure of documents to accompany any draft at negotiation or failure of any person to endorse on the Credit the amount of any draft or to surrender or take up the Credit or to send documents apart from drafts as required by the terms of the Credit, each of which provisions, if contained in the Credit itself, it is agreed may be waived by Issuer; or (h) errors, omissions, interruptions or delays in transmission or delivery of any message by mail, cable, telegraph, wireless or otherwise.

INDEMNIFICATION AND REIMBURSEMENT FOR COSTS AND LOSSES. Applicant will indemnify Issuer and its correspondents, and their officers, employees and agents, against their loss or damage in connection with any action Issuer or its correspondent shall take or not take in connection with any Credit, unless that loss or damage is caused by Issuer's or its correspondent's gross negligence or intentional misconduct. Applicant will also reimburse Issuer for Issuer's costs of enforcing this Agreement (including reasonable attorneys' fees) and for any dispute regarding this Agreement or any Credit.

DEFAULT. Applicant will be in default if any of the following occur:

- (a) Applicant fails to make a payment in full when due.
- (b) Applicant makes an assignment for the benefit of creditors or becomes insolvent, either because Applicant's liabilities exceed Applicant's assets or Applicant is unable to pay Applicant's debts as they become due; or Applicant petitions for protection under federal, state or local bankruptcy, insolvency or debtor relief laws, or is the subject of a petition or action under such laws and fails to have the petition or action dismissed within a reasonable period of time not to exceed 60 days.
- (c) Applicant merges, dissolves, reorganizes, or ends its business existence, or a partner or majority owner dies or is declared legally incompetent.
- (d) Applicant fails to perform any condition or to keep any promise or covenant of this Agreement.
- (e) Applicant defaults on any other agreement Applicant has with Issuer.
- (f) Applicant makes any verbal or written statement or provides any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.
- (g) Applicant fails to satisfy or appeal any judgment against Applicant.
- (h) Applicant changes Applicant's name or assumes an additional name without notifying Issuer prior to making such a change.
- (i) Applicant transfers all or a substantial part of Applicant's money or property.
- (j) Issuer reasonably believes that Issuer is insecure.

REMEDIES. In the event of a default by Applicant, Applicant will pay to Issuer the total undrawn amount of all Letters of Credit outstanding. That payment shall be held by Issuer without interest in Issuer's name as collateral for all of Applicant's obligations to Issuer, and may be applied to any payment that Applicant owes to Issuer at that time or a later time.

On or after default, to the extent permitted by law, Applicant agrees to pay all expenses of collection, enforcement or protection of Issuer's rights and remedies under this Agreement. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of this Agreement or any Application for Credit.

By choosing any one or more remedies, Issuer does not give up Issuer's right to use any other remedy. Issuer does not waive a default if Issuer chooses not to use a remedy. By electing not to use any remedy, Issuer does not waive Issuer's right to later consider the event a default and to use any remedies if the default continues or occurs again.

WAIVERS AND CONSENT. To the extent not prohibited by law, Applicant waives any right Applicant has to protest, presentment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of dishonor.


AGREEMENT IS BINDING. This Agreement shall be binding upon Applicant and its successors and assigns. This Agreement shall be enforceable by Issuer and its successors and assigns. Applicant may not transfer this Agreement without Issuer's written consent.

ILLEGAL PROVISIONS. If any provision of this Agreement is invalid, illegal or unenforceable, that provision shall be treated as though it were not in the Agreement. That invalidity, illegality or unenforceability shall not affect any other provision in this Agreement.

LAW AND OTHER RULES. This Agreement and each Credit shall be governed by:

- ☒ the Uniform Customs and Practice for Documentary Credits, 2006 Revision, International Chamber of Commerce Publication No. 600 (UCP), or any later version or amendment.
- ☐ the International Standby Practices 1998 (ISP98).

For example, Issuer's obligations to Applicant are limited according to the UCP or ISP, as applicable. This Agreement and each Credit shall also be governed by the laws of TENNESSEE, the United States of America, so long as such laws are not inconsistent with the UCP or ISP, as applicable. In the event of a dispute, the exclusive forum, venue, and place of jurisdiction will be in TENNESSEE, unless otherwise required by law.

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CORPORATE AUTHORIZATION RESOLUTION

By:

Referred to in this document as "Financial Institution"

Referred to in this document as "Corporation"

I, GAIL MYERS, certify that I am Secretary (clerk) of the above named corporation organized under the laws of the State of TN, Federal Employer I.D. Number 48-1279798, engaged in business under the trade name of TWIN LAKES TELECOMMUNICATIONS INC. and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the Board of Directors of the Corporation duly and properly called and held on 01/19/2009 (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

AGENTS Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position	Signature	Facsimile Signature (if used)
A. <u>LARRY J. STAFFORD</u>	X <u>[Signature]</u> X	
B. <u>H. WAYNE GASSAWAY</u>	X <u>[Signature]</u> X	
C. <u>BRIDGET BETCHER</u>	X <u>[Signature]</u> X	
D. _____	X _____ X	
E. _____	X _____ X	
F. _____	X _____ X	

POWERS GRANTED (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F	Description of Power	Indicate number of signatures required
_____	(1) Exercise all of the powers listed in this resolution.	_____
_____	(2) Open any deposit or share account(s) in the name of the Corporation.	_____
_____	(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.	_____
<u>AB+C</u>	(4) Borrow money on behalf and in the name of the Corporation, sign, execute and deliver promissory notes or other evidences of indebtedness.	<u>2</u>
_____	(5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Corporation as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.	_____
_____	(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.	_____
_____	(7) Other _____	_____

LIMITATIONS ON POWERS The following are the Corporation's express limitations on the powers granted under this resolution.

EFFECT ON PREVIOUS RESOLUTIONS This resolution supersedes resolution dated 12/02. If not completed, all resolutions remain in effect.

CERTIFICATION OF AUTHORITY

I further certify that the Board of Directors of the Corporation has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions on page 2 and to confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

☐ If checked, the Corporation is a non-profit corporation.

In Witness Whereof, I have subscribed my name to this document and affixed the seal of the Corporation on JANUARY 30, 2009 (date).

Attest by One Other Officer

Gail Myers Secretary (page 1 of 2)

RESOLUTIONS

The Corporation named on this resolution resolves that,

- (1) The Financial Institution is designated as a depository for the funds of the Corporation and to provide other financial accommodations indicated in this resolution.
- (2) This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by the Financial Institution. Any and all prior resolutions adopted by the Board of Directors of the Corporation and certified to the Financial Institution as governing the operation of this corporation's account(s), are in full force and effect, until the Financial Institution receives and acknowledges an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of a resolution must be accompanied by documentation, satisfactory to the Financial Institution, establishing the authority for the changes.
- (3) The signature of an Agent on this resolution is conclusive evidence of their authority to act on behalf of the Corporation. Any Agent, so long as they act in a representative capacity as an Agent of the Corporation, is authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated on page one, from time to time with the Financial Institution, subject to any restrictions on this resolution or otherwise agreed to in writing.
- (4) All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of the Corporation with the Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.
- (5) The Corporation agrees to the terms and conditions of any account agreement, properly opened by any Agent of the Corporation. The Corporation authorizes the Financial Institution, at any time, to charge the Corporation for all checks, drafts, or other orders, for the payment of money, that are drawn on the Financial Institution, so long as they contain the required number of signatures for this purpose.
- (6) The Corporation acknowledges and agrees that the Financial Institution may furnish at its discretion automated access devices to Agents of the Corporation to facilitate those powers authorized by this resolution or other resolutions in effect at the time of issuance. The term "automated access device" includes, but is not limited to, credit cards, automated teller machines (ATM), and debit cards.
- (7) The Corporation acknowledges and agrees that the Financial Institution may rely on alternative signature and verification codes issued to or obtained from the Agent named on this resolution. The term "alternative signature and verification codes" includes, but is not limited to, facsimile signatures on file with the Financial Institution, personal identification numbers (PIN), and digital signatures. If a facsimile signature specimen has been provided on this resolution, (or that are filed separately by the Corporation with the Financial Institution from time to time) the Financial Institution is authorized to treat the facsimile signature as the signature of the Agent(s) regardless of by whom or by what means the facsimile signature may have been affixed so long as it resembles the facsimile signature specimen on file. The Corporation authorizes each Agent to have custody of the Corporation's private key used to create a digital signature and to request issuance of a certificate listing the corresponding public key. The Financial Institution shall have no responsibility or liability for unauthorized use of alternative signature and verification codes unless otherwise agreed in writing.

Pennsylvania. The designation of an Agent does not create a power of attorney; therefore, Agents are not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code) unless the agency was created by a separate power of attorney. Any provision that assigns Financial Institution rights to act on behalf of any person or entity is not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code).

FOR FINANCIAL INSTITUTION USE ONLY

Acknowledged and received on _____ (date) by _____ (initials) ☐ This resolution is superseded by resolution dated _____

Comments: