

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION

99 JUL 22 AM 8:47

MAIL ROOM

BEACH LAW FIRM, P.A.

ATTORNEYS AT LAW

1321 LADY STREET, SUITE 310
POST OFFICE BOX 11547
COLUMBIA, SOUTH CAROLINA 29211-1547

JOHN F. BEACH
JOHN J. PRINGLE, JR.

AREA CODE 803
TELEPHONE 779-0066
FACSIMILE 799-8479

July 20, 1999

Florida Public Service Commission

Division of Administration
2540 Shumard Oak Boulevard
Gerald Gunter Building
Tallahassee FL 32399-0850

990949-T1

RE: Application of Resort Hospitality Services, Ltd. d/b/a TelSouth
for Authority to Provide Interexchange Telecommunications Services
Within the State of Florida
Our File No. 99.69

Dear Sir or Madam:

Enclosed is the original and six (6) copies of the **Application** and associated filing fee filed on behalf of Resort Hospitality Services, Ltd., d/b/a TelSouth in the above-referenced matter.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the envelope provided.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,



John J. Pringle, Jr.

JJP/cr

cc: Mr. Nickey Maxey (w/o enclosure)

Enclosures

G:\APPS\OFFICE\WPWIN\WPDOCS\RESORT.HOS\IXC.FLA\FL-PSC.filing.wp

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.

Initials of person who forwarded check:



DOCUMENT NUMBER-DATE

08708 JUL 22 99

FPSO-RECORDS/REPORTING

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DEPOSIT
D172 **DATE**
JUL 22 1999

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If you have any questions or need additional information, please do not hesitate to contact me.

27609

RESORT HOSPITALITY SERVICES, LTD.

P.O. BOX 5568
HILTON HEAD ISLAND, SC 29938

FIRST UNION NATIONAL BANK
OF SOUTH CAROLINA
HILTON HEAD, SC 29938
67-776-532

Jul 15, 1999 *****\$250.00

PAY Two Hundred Fifty and 0/100 Dollars

DATE

AMOUNT

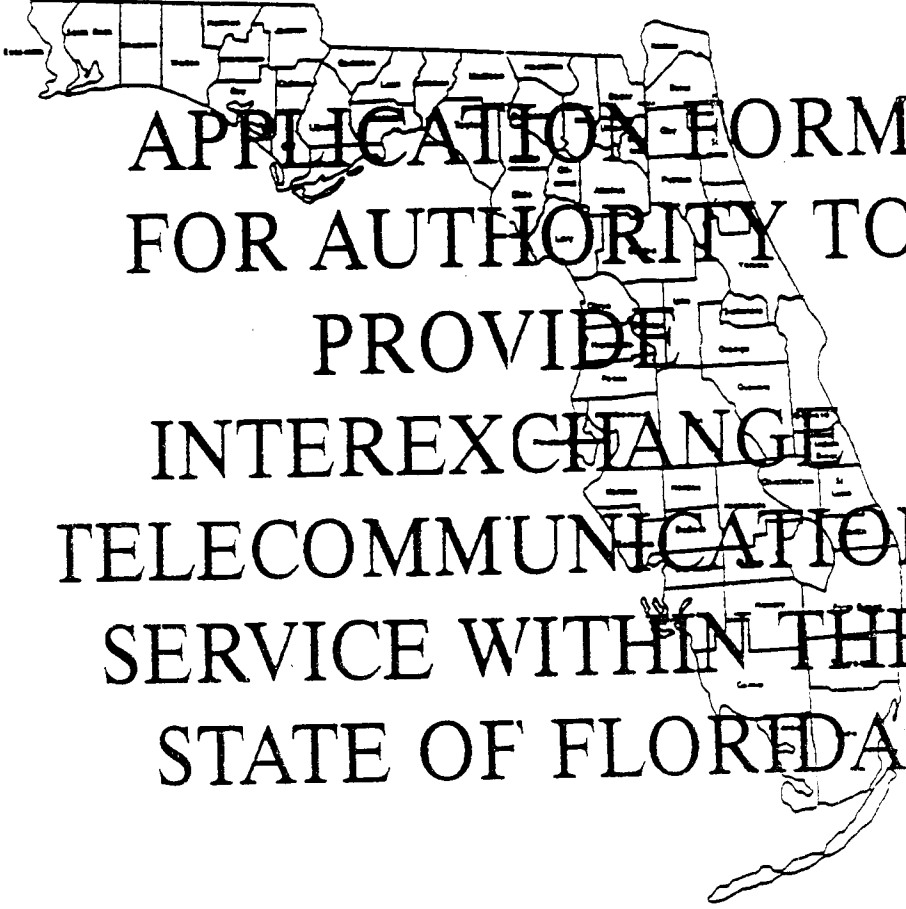
TO THE ORDER OF: FLORIDA PUBLIC SERVICE COMM

Dickey Mapey
Neil Kurlinton

TWO SIGNATURES REQUIRED

⑈00027609⑈

Security features included. Details on back



APPLICATION FORM
FOR AUTHORITY TO
PROVIDE
INTEREXCHANGE
TELECOMMUNICATION
SERVICE WITHIN THE
STATE OF FLORIDA

DOCUMENT NUMBER-DATE

08708 JUL 22 88

REGISTRATION/REPORTING

**** FLORIDA PUBLIC SERVICE COMMISSION ****

**DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION**

**APPLICATION FORM
for
AUTHORITY TO PROVIDE
INTEREXCHANGE TELECOMMUNICATIONS SERVICE
WITHIN THE STATE OF FLORIDA**

Instructions

A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).

B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.

C. Use a separate sheet for each answer which will not fit the allotted space.

D. If you have questions about completing the form, contact:

**Florida Public Service Commission
Division of Communications
Bureau of Service Evaluation
2540 Shumard Oak Blvd., Gerald Gunter Building
Tallahassee, Florida 32399-0850
(850) 413-6600**

E. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

**Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd., Gerald Gunter Building
Tallahassee, Florida 32399-0850
(850) 413-6251**

1. Select what type of business your company will be conducting (check all that apply):

Facilities based carrier - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.

Operator Service Provider - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.

Reseller - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.

Switchless Rebiller - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.

Multi-Location Discount Aggregator - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.

Prepaid Debit Card Provider - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

2. This is an application for (check one):

Original Authority (New company).

Approval of Transfer (To another certificated company).

Approval of Assignment of existing certificate (To an uncertificated company).

Approval for transfer of control (To another certificated company).

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:

Resort Hospitality Services, Ltd.

4. Name under which the applicant will do business (fictitious name, etc.):

TelSouth

5. National address (including street name & number, post office box, city, state and zip code).

78 Arrow Road, Suite B
PO Box 5568
Hilton Head Island SC 29938

6. Florida address (including street name & number, post office box, city, state and zip code):

to be supplied

7. Structure of organization; check which applies.

- | | |
|---|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input checked="" type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Other, _____ | |

8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners.

(a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

n/a

(b) Indicate if the individual or any of the partners have previously

been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

9. If incorporated, please give:

- (a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: to be supplied

- (b) Name and address of the company's Florida registered agent.

to be supplied

- (c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable.

Fictitious name registration number: to be supplied

- (d) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

no

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

no

10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number):

(a) The application;

John J. Pringle, Jr. (803) 779-0066
Attorney
1321 Lady Street, Suite 310
Columbia SC 29201

(b) Official Point of Contact for the ongoing operations of the company;

Brad Donaldson
Chief Operating Officer
PO Box 5568
Hilton Head Island SC 29938

(c) Tariff;

John J. Pringle, Jr.

(d) Complaints/Inquiries from customers;

Brad Donaldson

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

(b) Has applications pending to be certificated as an interexchange carrier.

Georgia

(c) Is certificated to operate as an interexchange carrier.

South Carolina, Tennessee

15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).

16. Who will receive the bills for your service? (Check all that apply)

- | | |
|--|---|
| <input checked="" type="checkbox"/> Residential customers. | <input checked="" type="checkbox"/> Business customers. |
| <input type="checkbox"/> PATS providers. | <input type="checkbox"/> PATS station end-users. |
| <input checked="" type="checkbox"/> Hotels & motels. | <input checked="" type="checkbox"/> Hotel & motel guests. |
| <input type="checkbox"/> Universities. | <input type="checkbox"/> Univ. dormitory residents. |
| <input type="checkbox"/> Other: (specify)_____. | |

17. Please provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services, and if not who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?

yes

(b) Name and address of the firm who will bill for your service.

The Company has not yet made that determination, but will notify the Commission of that firm or entity prior to providing service in the State of Florida.

18. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide interexchange telecommunications service in Florida.

A. Financial capability.

see attached Exhibit One

Regarding the showing of financial capability, the following applies:
The application should contain the applicant's financial statements for the most recent 3 years, including:

1. the balance sheet
2. income statement
3. statement of retained earnings.

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

See Exhibit One and Exhibit Two

2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.

See Exhibit One and Exhibit Two

3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

See Exhibits One and Two

NOTE: This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability. See Exhibit Two

C. Technical capability. See Exhibit Two

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

See Attached Exhibit Three.

20. The applicant will provide the following interexchange carrier services
(Check all that apply):

- MTS with distance sensitive per minute rates**
 Method of access is FGA
 Method of access is FGB
 Method of access is FGD
 Method of access is 800

- MTS with route specific rates per minute**
 Method of access is FGA
 Method of access is FGB
 Method of access is FGD
 Method of access is 800

- MTS with statewide flat rates per minute (i.e. not distance sensitive)**
 Method of access is FGA
 Method of access is FGB
 Method of access is FGD
 Method of access is 800

- MTS for pay telephone service providers**

- Block-of-time calling plan (Reach out Florida, Ring America, etc.).**

- 800 Service (Toll free)**

- WATS type service (Bulk or volume discount)**
 Method of access is via dedicated facilities
 Method of access is via switched facilities

- Private Line services (Channel Services)**
(For ex. 1.544 mbs., DS-3, etc.)

- Travel Service**
- Method of access is 950
- Method of access is 800

- 900 service**

- Operator Services**
- Available to presubscribed customers
- Available to non presubscribed customers (for example to patrons of hotels, students in universities, patients in hospitals.

- Available to inmates

Services included are:

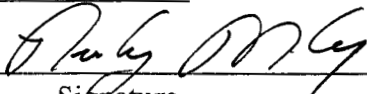
- Station assistance
- Person to Person assistance
- Directory assistance
- Operator verify and interrupt
- Conference Calling

21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above).
- 1+
- 0+
22. Other:

**** APPLICANT ACKNOWLEDGEMENT STATEMENT ****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange service.
6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement. **Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083".**

UTILITY OFFICIAL:


Signature

7-15-99
Date

CEO
Title

843-842-7795
Telephone No.

**** APPENDIX B ****



CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be responded to in one of the following ways (applicant please check one):

- (X) **The applicant will not collect deposits nor will it collect payments for service more than one month in advance.**

- () **The applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)**

UTILITY OFFICIAL:

 _____ Signature	_____ Date
 _____  _____ Title	_____ Telephone No.

4. **ORIGINATING SERVICE:** Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate (Appendix D).

The Company has not yet determined the exchanges where it proposes to provide originating service.

5. **TRAFFIC RESTRICTIONS:** Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471 (4) (a) (copy enclosed).

The Company will rely on its underlying carrier to ensure that toll calls are routed in conformance with this rule.

6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has () or has not (X) previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following:

a) What services have been provided and when did these services begin?

b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL:


Signature

7-15-99
Date

CEO
Title

843-842-7795
Telephone No.

** APPENDIX D **

FLORIDA TELEPHONE EXCHANGES

AND

EAS ROUTES

The Company plans to offer service statewide.

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate.

In an effort to assist you, attached is a list of major exchanges in Florida showing the small exchanges with which each has extended area service (EAS).

** FLORIDA EAS FOR MAJOR EXCHANGES **

Extended Service Area with These Exchanges

PENSACOLA: Cantonment, Gulf Breeze Pace, Milton
Holley-Navarre.

PANAMA CITY: Lynn Haven, Panama City Beach,
Youngstown-Fountain and Tyndall AFB.

TALLAHASSEE: Crawfordville, Havana, Monticello, Panacea,
Sopchoppy and St. Marks.

JACKSONVILLE: Baldwin, Ft. George, Jacksonville Beach,
Callahan, Maxville, Middleburg, Orange Park,
Ponte Vedra and Julington.

GAINESVILLE: Alachua, Archer, Brooker, Hawthorne, High
Springs, Melrose, Micanopy, Newberry and
Waldo.

OCALA: Belleview, Citra, Dunnellon, Forest Lady Lake (B21), McIntosh, Oklawaha, Orange Springs, Salt Springs and Silver Springs Shores.

DAYTONA BEACH: New Smyrna Beach.

TAMPA: Central None
 East Plant City
 North Zephyrhills
 South Palmetto
 West Clearwater

CLEARWATER: St. Petersburg, Tampa-West and Tarpon Springs.

ST. PETERSBURG: Clearwater.

LAKELAND: Bartow, Mulberry, Plant City, Polk City and Winter Haven.

ORLANDO: Apopka, East Orange, Lake Buena Vista, Oviedo, Windermere, Winter Garden, Winter Park, Montverde, Reedy Creek, and Oviedo-Winter Springs.

WINTER PARK: Apopka, East Orange, Lake Buena Vista, Orlando, Oviedo, Sanford, Windermere, Winter Garden, Oviedo-Winter Springs Reedy Creek, Geneva and Montverde.

TITUSVILLE: Cocoa and Cocoa Beach.

COCOA: Cocoa Beach, Eau Gallie, Melbourne and Titusville.

MELBOURNE: Cocoa, Cocoa Beach, Eau Gallie and Sebastian.

SARASOTA: Bradenton, Myakka and Venice.

FT. MYERS:	Cape Coral, Ft. Myers Beach, North Cape Coral, North Ft. Myers, Pine Island, Lehigh Acres and Sanibel-Captiva Islands.
NAPLES:	Marco Island and North Naples.
WEST PALM BEACH:	Boynton Beach and Jupiter.
POMPANO BEACH:	Boca Raton, Coral Springs, Deerfield Beach and Ft. Lauderdale.
FT. LAUDERDALE:	Coral Springs, Deerfield Beach, Hollywood and Pompano Beach.
HOLLYWOOD:	Ft. Lauderdale and North Dade.
NORTH DADE:	Hollywood, Miami and Perrine.
MIAMI:	Homestead, North Dade and Perrine

**Documents Demonstrating the Financial Capability of
Resort Hospitality Services, Ltd. d/b/a TelSouth**

**Financial Statements
Verifications of Nickey Maxey and Bruce Fly
Credit References for the Company**

Resort Hospitality Services, Ltd.

Balance Sheet
As of December 31, 1996

ASSETS

CURRENT ASSETS

Cash	19,873	
Accounts Receivable	55,319	
Due from Employees	1,100	
Total Current Assets		<u>76,292</u>

FIXED ASSETS

Furniture & Fixtures	16,639	
Office Equipment	30,826	
Telephone Equipment	22,095	
Buildings	171,193	
Building Improvements	78,224	
Vehicles	51,908	
Accumulated Depreciation	(74,544)	
Net Fixed Assets		<u>296,341</u>

Total Assets 372,633

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts Payable	1,509	
Payroll Taxes Payable	2,975	
Pension Withheld	452	
Total Current Liabilities		<u>4,936</u>

LONG TERM LIABILITIES

N/P - First Union Bank	25,092	
N/P - First Union Bank (Bldg)	137,040	
Total Long Term Liabilities		<u>162,132</u>

STOCKHOLDERS' EQUITY

Common Stock	1,000	
Retained Earnings	204,566	
Total Stockholders' Equity		<u>205,566</u>

Total Liabilities and Equity 372,634

Resort Hospitality Services, Ltd.

Income Statement For the Year Ending December 31, 1996

<u>REVENUE</u>		<u>%</u>
Sales	5,306	0.73%
Commissions	648,033	89.65%
Coin	27,544	3.81%
Management Income	26,663	3.69%
Miscellaneous Income	15,320	2.12%
Refunds	(21)	0.00%
Total Revenue	<u>722,844</u>	<u>100.00%</u>
 <u>COST OF GOODS SOLD</u>		
Freight	7,424	1.03%
Commissions - Sites	8,239	1.14%
Line and PIC Charges	22,252	3.08%
Telephone / Supplies	<u>51,845</u>	<u>7.17%</u>
Total Cost of Goods Sold	<u>89,759</u>	<u>12.42%</u>
Gross Profit	633,085	87.58%
 <u>OTHER EXPENSES</u>		
Salaries	151,414	20.95%
Payroll Taxes	12,711	1.76%
Advertising/Promotion	3,395	0.47%
Auto Expense	13,606	1.88%
Club Dues	10,976	1.52%
Commissions	47,927	6.63%
Contract Labor	45,149	6.25%
Depreciation	26,103	3.61%
Dues & Subscriptions	4,548	0.63%
Employee Benefits	3,313	0.46%
Entertainment	19,546	2.70%
Insurance	24,294	3.36%
Interest	14,189	1.96%
Office Expense	13,064	1.81%
Pension	2,416	0.33%
Postage	2,581	0.36%
Professional Fees	9,350	1.29%
Rent	589	0.08%

Resort Hospitality Services, Ltd.

Income Statement
For the Year Ending December 31, 1996

<u>OTHER EXPENSES(cont)</u>		<u>%</u>
Repairs & Maintenance	8,424	1.17%
Radio Expense	1,782	0.25%
Show Expense	1,876	0.26%
Taxes	6,213	0.86%
Telephone	34,251	4.74%
Travel	5,410	0.75%
Uniforms	2,235	0.31%
Utilities	4,519	0.63%
Total Other Expenses	<u>469,881</u>	<u>65.00%</u>
Net Operating Income	163,204	22.58%
<u>OTHER INCOME</u>		
Gain on Sale of Asset	340	0.05%
Interest Income	<u>128</u>	<u>0.02%</u>
Net Income	<u>163,672</u>	<u>22.64%</u>

Resort Hospitality Services, Ltd.

Balance Sheet
As of December 31, 1997

ASSETS

CURRENT ASSETS

Cash	14,548	
Accounts Receivable	10,188	
Due from Employees	2,082	
Total Current Assets		26,818

FIXED ASSETS

Furniture & Fixtures	16,640	
Office Equipment	32,921	
Telephone Equipment	32,553	
Buildings	171,193	
Building Improvements	86,534	
Vehicles	59,564	
Accumulated Depreciation	(96,205)	
Net Fixed Assets		303,200

Total Assets		330,018
--------------	--	---------

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts Payable	42,591	
Payroll Taxes Payable	3,112	
Sales Tax Payable	439	
Total Current Liabilities		46,142

LONG TERM LIABILITIES

N/P - NationsBank	38,400	
N/P - First Union Bank (Bldg)	135,657	
Total Long Term Liabilities		174,057

STOCKHOLDER'S EQUITY

Common Stock	1,000	
Retained Earnings	108,820	
Total Stockholder's Equity		109,820

Total Liabilities and Equity		330,018
------------------------------	--	---------

Resort Hospitality Services, Ltd.

Income Statement For the Year Ending December 31, 1997

<u>REVENUE</u>		<u>%</u>
Sales	45,344	6.17%
Commissions	649,270	88.32%
Coin	27,636	3.76%
Miscellaneous Income	12,886	1.75%
Refunds	(34)	0.00%
Total Revenue	735,101	100.00%
 <u>COST OF GOODS SOLD</u>		
Freight		0.00%
Commissions - Sites	12,656	1.72%
Line and PIC Charges	16,917	2.30%
Telephone / Supplies	55,308	7.52%
Total Cost of Goods Sold	84,881	11.55%
Gross Profit	650,220	88.45%
 <u>OTHER EXPENSES</u>		
Salaries	288,064	39.19%
Payroll Taxes	23,308	3.17%
Advertising/Promotion	6,238	0.85%
Auto Expense	7,962	1.08%
Club Dues	2,191	0.30%
Commissions	34,288	4.66%
Contract Labor	28,523	3.88%
Depreciation	36,085	4.91%
Dues & Subscriptions	1,200	0.16%
Employee Benefits	13,609	1.85%
Entertainment	7,910	1.08%
Insurance	17,997	2.45%
Interest	12,868	1.75%
Office Expense	18,139	2.47%
Pension	1,176	0.16%
Postage & Freight	5,271	0.72%
Professional Fees	49,194	6.69%
Rent	2,841	0.39%

Resort Hospitality Services, Ltd.**Income Statement
For the Year Ending December 31, 1997**

<u>OTHER EXPENSES(cont)</u>		<u>%</u>
Repairs & Maintenance	10,460	1.42%
Radio Expense	1,009	0.14%
Show Expense	378	0.05%
Taxes & Licenses	10,535	1.43%
Telephone	15,846	2.16%
Travel	5,526	0.75%
Utilities	4,121	0.56%
Miscellaneous	<u>3,942</u>	<u>0.54%</u>
Total Other Expenses	<u>608,680</u>	<u>82.80%</u>
Net Operating Income	41,541	5.65%
<u>OTHER INCOME</u>		
Interest Income	<u>1,201</u>	<u>0.16%</u>
Net Income	<u><u>42,742</u></u>	<u><u>5.81%</u></u>

Resort Hospitality Services, LTD
Balance Sheet
December 31, 1998

ASSETS

Current Assets		
Cash - Operating	\$	6,318.18
Cash - Savings		1,109.85
Accounts Receivable		204.62
Due from Employees		429.45
Due From RHS-TN		112.45
Prepaid Expenses		7,500.00
Due From RHS Net		3,284.93
Due From TTC		1,527.20
Due From TelSouth of NC		1,499.78
Due From TelSouth LLC		176,362.83
Due From So. Central Telecom		4,047.91
		<hr/>
Total Current Assets		202,397.20
Property and Equipment		
Furniture & Fixtures		16,639.67
Office Equipment		32,921.06
Buildings		171,192.78
Building Improvements		86,533.70
Vehicles		37,054.90
Accumulated Depreciation		<98,745.85>
		<hr/>
Total Property and Equipment		245,596.26
Other Assets		
		<hr/>
Total Other Assets		0.00
		<hr/>
Total Assets	\$	447,993.46
		<hr/>

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	\$	105,270.51
Payroll Taxes Payable		18,196.31
Sales Tax Payable		344.60
		<hr/>
Total Current Liabilities		123,811.42
Long-Term Liabilities		
N/P Nations - '99 Van (370.76)		17,761.48
N/P - FUB - BUILDING		134,472.58
		<hr/>
Total Long-Term Liabilities		152,234.06
		<hr/>
Total Liabilities		276,045.48
Capital		
Common Stock		1,000.00
Nickey Maxey, Drawing		<234,389.94>
Retained Earnings		96,817.12
Net Income		308,520.50
		<hr/>
Total Capital		171,947.98
		<hr/>
Total Liabilities & Capital	\$	447,993.46
		<hr/>

Unaudited - For Management Purposes Only

Resort Hospitality Services, LTD
Income Statement
For the Twelve Months Ending December 31, 1998

	Current Month		Year to Date	
Revenues				
Sales - Phone Systems	11,087.12	1.28	11,087.12	1.28
Commissions - MCI	16,138.92	1.86	16,138.92	1.86
Commissions - Conquest	487,013.69	56.13	487,013.69	56.13
Commissions - AT&T	346,025.12	39.88	346,025.12	39.88
Commissions - BTI	713.70	0.08	713.70	0.08
Interconnect Rev - New Cust	953.97	0.11	953.97	0.11
Interconnect Rev - Curr Cust	2,495.33	0.29	2,495.33	0.29
Miscellaneous Income	1,553.18	0.18	1,553.18	0.18
Interest Income	1,730.26	0.20	1,730.26	0.20
Total Revenues	867,711.29	100.00	867,711.29	100.00
Cost of Sales				
Freight	1,605.00	0.18	1,605.00	0.18
Commissions - Sites	111,975.42	12.90	111,975.42	12.90
Line and PIC Charges	1,019.67	0.12	1,019.67	0.12
Telephone / Supplies	13,305.58	1.53	13,305.58	1.53
Total Cost of Sales	127,905.67	14.74	127,905.67	14.74
Gross Profit	739,805.62	85.26	739,805.62	85.26
Expenses				
Salaries	194,093.72	22.37	194,093.72	22.37
FICA	21,020.17	2.42	21,020.17	2.42
Fed. Unemployment Taxes	738.87	0.09	738.87	0.09
State Unemployment Taxes	524.08	0.06	524.08	0.06
Advertising	907.74	0.10	907.74	0.10
Auto Expense	4,321.15	0.50	4,321.15	0.50
Auto Lease	5,383.37	0.62	5,383.37	0.62
Bank Service Charges	146.00	0.02	146.00	0.02
Business Promotion	3,734.20	0.43	3,734.20	0.43
Club Dues	1,837.50	0.21	1,837.50	0.21
Computer Expense	3,121.54	0.36	3,121.54	0.36
Commissions	18,035.99	2.08	18,035.99	2.08
Contract Labor	18,099.77	2.09	18,099.77	2.09
Contributions	1,100.00	0.13	1,100.00	0.13
Depreciation	23,552.27	2.71	23,552.27	2.71
Dues & Subscriptions	1,505.00	0.17	1,505.00	0.17
Employee Benefits	2,886.60	0.33	2,886.60	0.33
Entertainment	1,474.91	0.17	1,474.91	0.17
Industrial Insurance	120.00	0.01	120.00	0.01
Health Insurance	11,033.91	1.27	11,033.91	1.27
Fleet Insurance	3,408.46	0.39	3,408.46	0.39
General Liability Ins.	657.00	0.08	657.00	0.08
Interest Expense	11,308.79	1.30	11,308.79	1.30
Meals	497.87	0.06	497.87	0.06
Miscellaneous Expense	11,497.27	1.33	11,497.27	1.33
Office Expense	8,266.80	0.95	8,266.80	0.95
Professional Fees	35,360.49	4.08	35,360.49	4.08
Rent	4,265.98	0.49	4,265.98	0.49
Repairs & Maintenance	7,117.60	0.82	7,117.60	0.82
Radio Expense	37.88	0.00	37.88	0.00
Service Fees	240.00	0.03	240.00	0.03
Show / Convention Expense	740.26	0.09	740.26	0.09
Taxes - Property	3,713.45	0.43	3,713.45	0.43
Taxes - Other	2,262.08	0.26	2,262.08	0.26
Telephone	13,844.68	1.60	13,844.68	1.60
Travel	11,687.44	1.35	11,687.44	1.35
Utilities	2,742.28	0.32	2,742.28	0.32
Total Expenses	431,285.12	49.70	431,285.12	49.70
Net Income	\$ 308,520.50	35.56	\$ 308,520.50	35.56

For Management Purposes Only

VERIFICATION

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

I, Nickey Maxey, being duly sworn, do hereby state as follows:

1. I am the Chief Executive Officer ("CEO") of Resort Hospitality Services, Ltd. d/b/a TelSouth.

2. In connection with TelSouth's application for interexchange authority in the State of Florida, the Company is submitting unaudited financial statements for calendar years 1996, 1997, and 1998.

3. The information contained in these financial statements are true and correct to the best of my knowledge and belief.



Nickey Maxey

Subscribed and sworn to before me

this the 15 day of July, 1999.

Willow B. Harman
Notary Public for the State of South Carolina

My Commission Expires: Notary Public, South Carolina, State at Large
My Commission Expires Dec. 17, 2006

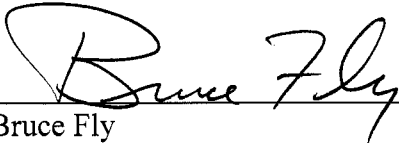
VERIFICATION

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

I, Bruce Fly, being duly sworn, do hereby state as follows:

1. I am the Chief Financial Officer of Resort Hospitality Services, Ltd. d/b/a TelSouth.
2. In connection with TelSouth's application for interexchange authority in the State of Florida, the Company is submitting unaudited financial statements for calendar years 1996, 1997, and 1998.
3. The information contained in these financial statements are true and correct to the best of my knowledge and belief.



Bruce Fly

Subscribed and sworn to before me

this the 15 day of July, 1999.

Willow B. Lerman
Notary Public for the State of South Carolina

My Commission Expires: Notary Public, South Carolina, State at Large
My Commission Expires Dec. 17, 2006



CREDIT APPLICATION TO OUR NEW SUPPLIERS

RESORT HOSPITALITY SERVICES, LTD
DUNS #: 80-165-7339 D & B RATING: BB2
P O BOX 5568
78- B ARROW ROAD
HILTON HEAD ISLAND, SC 29938
ESTABLISHED: 1992

AFFILIATED COMPANIES: TEL SOUTH LLC., TEL SOUTH INC. OF NC, RESORT HOSPITALITY SERVICES - INTERNATIONAL, RESORT HOSPITALITY SERVICES -TN & THE TELEPHONE CO.

BUSINESS INDUSTRY: TELECOMMUNICATIONS

CEO: NICKEY MAXEY
PRESIDENT: JEFF HUFFMAN
CFO: BRUCE FLY
A/P CONTACT: NICK KOULICHKOV

BANK RELATIONSHIPS

FIRST UNION NATIONAL BANK OF SC
2 POPE AVE.
HILTON HEAD ISLAND, SC 29928
PH # 843-842-4200
ACCT: 4009033523 - LTD
ACCT: 4009033534 - INT'L
ACCT: 2010000078473 - TN

NATIONS BANK, S.C.
POPE AVE.
HILTON HEAD ISLAND, SC 29928
PH # 843-686-1456
ACCT: 745186083-THE TELEPHONE CO.

BANK FIRST
ATTN: ROSE WALKER
10232 CHAPMAN HWY
SEYMOUR, TN 37865
PH #: 423-609-3205
ACCT: 04804880 - TEL SOUTH LLC

LINCOLN BANK
ATTN: CARROLL IEAUNER
PO BOX 657
LINCOLNTON, NC 28093
PH # 704-732-2222
ACCT: 0038628 - TEL SOUTH INC. OF NC

TRADE REFERENCES

BTI TELECOMMUNICATIONS SERVICES
P O BOX 96026
CHARLOTTE, NC 28296-0026
ACCOUNT # 4284420 AND 4122344
PH #: 800-849-2111

GRAYBAR ELECTRIC COMPANY
745 SUNSET BLVD.
WEST COLUMBIA, SC 29169
ATTN.: VICKI BYERS, CREDIT DEPT
ACCOUNT #: F V 3
PH: 800-688-2320 FAX: 803-796-2796

OFFICE DEPOT
P O BOX 30292
SALT LAKE CITY, UT 84130-0292
ACCT #: 6011-5642-0306-2178
PH #: 800-729-7744

SAM'S CLUB
P O BOX 8144
MASON, OH 45040-7944
ACCT #: 49-0931-829441-0
PH #: 800-203-5764

REV 12/1998

Exhibit Two

**Documents Demonstrating the Technical and Managerial Abilities
of the Officers of Resort Hospitality Services, Ltd. d/b/a TelSouth**

**Technical and Managerial Qualifications of
The Officers of Resort Hospitality Services, Ltd d/b/a TelSouth**

The officers of Resort Hospitality Services, Ltd. d/b/a TelSouth ("TelSouth") possess many years of managerial and technical experience in business and telecommunications.

Nickey Maxey, President, CEO and sole shareholder of TelSouth, has been involved in the telecommunications field for over 13 years. In addition to his responsibilities as CEO of TelSouth, Maxey serves as CEO of RHSnet, Inc., a Hilton Head company providing Internet services to businesses and individuals. Maxey also serves as President of Resort Hospitality Services International, Inc., and CEO of Resort Hospitality Services, Inc, two companies that provision telecommunications services, including long distance and operator services, to the hospitality industry. In this capacity, these companies often act as an agent and/or aggregator for long distance and operator service providers. In 1996 and 1997, Maxey served as Vice Chairman of the Board of Directors for Phonetel Technologies, Inc., the largest independent pay telephone company in North America. In 1988, he co-founded, along with TelSouth Vice President Jeff Huffman, International Payphones, Inc., and grew the company to approximately 1,600 phones by 1996. In 1985, Maxey founded International Payphones, Inc. of Tennessee, and grew that company from one phone to 785 phones, before selling the enterprise to Phonetel Technologies, Inc., in March of 1996. Prior to entering the telecommunications business, Maxey served as a Highway Patrolman and Deputy Sheriff in the State of Tennessee.

Jeff Huffman, Vice President of TelSouth, also serves as President of RHSnet, Inc., the aforementioned company providing internet services to individuals and businesses. RHSnet also offers an "online" reservations package to property management companies, which allows

individuals and businesses to make reservations by means of the Internet. Huffman served as Southeastern Regional Vice President for PhoneTel Technologies, Inc. from 1996 to 1997, and during that time was responsible for maintaining over 10,000 payphones and supervising 75 employees within a seven-state area. In 1988 Huffman and Maxey cofounded International Payphones, Inc., and served as its Vice President until 1996. At the time Maxey and Huffman sold International Payphones to PhoneTel Technologies, the company had 16 employees and gross annual sales of over \$4,000,000. From 1980 to 1988, Huffman was a co-founder and partner in H&M Auto Sales, an enterprise that purchased rental cars from various companies and sold them at auto auctions throughout the Southeast. H&M boasted gross sales of over \$5,000,000. Mr. Huffman also served as a dispatcher for Southern Bell (now BellSouth Telecommunications, Inc.) during 1979 and 1980, where he was responsible for scheduling daily work loads for over 50 technicians and installers.

John Maroska, Secretary of TelSouth, brings 30 years of sales experience to this enterprise. He also serves as Vice President of Sales and Marketing for Resort Hospitality Services International ("RHS/Int."), TelSouth, Inc. of North Carolina, and RHSnet, Inc. For TelSouth, Inc., which is a payphone service provider ("PSP"), Maroska handles the installation, repair, programming, and revenue collection and counting for payphones, installs private branch exchange ("PBX") systems for the hospitality industry, and supervises all the technicians who perform phone installation, trouble shooting, and repairs. With regard to RHS/Int. and RHSnet, Maroska oversees all aspects of sales and marketing, including training, budgets, production of materials, and representation of the companies at various national trade

Technical and Managerial Capability of TelSouth
Page 3

shows. Maroska has also served in various sales capacities in the wholesale beverage and trucking industries. Mr. Maroska also served in the United States Marine Corps from 1967 to 1970.

Exhibit Three

Proposed Tariff for Resort Hospitality Services, Ltd. d/b/a TelSouth

TITLE SHEET

OF

**RESORT HOSPITALITY SERVICES, LTD.
D/B/A TELSOUTH**

This tariff contains the rates, terms and conditions applicable to the Interexchange Resale Telecommunications Services provided by Resort Hospitality Services, Ltd. d/b/a TelSouth, with principal offices at 77 Arrow Road, Suite B, Hilton Head Island, South Carolina 29928. This tariff applies for services furnished within the State of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued:

Effective:

By:

Nickey Maxey
Resort Hospitality Services, Ltd. d/b/a TelSouth
78 Arrow Road, Suite B
Hilton Head Island, SC 29928
(843) 842-7795

CHECK SHEET

Sheets of this tariff indicated below are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

<u>SHEET</u>	<u>REVISION LEVEL</u>	<u>SHEET</u>	<u>REVISION LEVEL</u>
1	Original	15	Original
2	Original	16	Original
3	Original	17	Original
4	Original	18	Original
5	Original	19	Original
6	Original	20	Original
7	Original	21	Original
8	Original	22	Original
9	Original	23	Original
10	Original	24	Original
11	Original	25	Original
12	Original	26	Original
13	Original	27	Original
14	Original	28	Original

Issued:

Effective:

By:

Nickey Maxey
Resort Hospitality Services, Ltd. d/b/a TelSouth
78 Arrow Road, Suite B
Hilton Head Island, SC 29928
(843) 842-7795

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Section 2 - Rules and Regulations 9

Section 3 - Description of Service and Rates 26

Section 4 - Rates 28

Issued:

Effective:

By:

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(843) 842-7795

SYMBOLS

The following are the only symbols used for the purposes indicated below:

C - Changed regulation.

D - Delete or discontinue.

I - Change Resulting in an increase to a Customer's bill.

M - Moved from another tariff location.

N - New

R - Change resulting in a reduction to a Customer's bill.

T - Change in text or regulation.

Issued:

Effective:

By:

Nickey Maxey
Resort Hospitality Services, Ltd. d/b/a TelSouth
78 Arrow Road, Suite B
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(843) 842-7795

TARIFF FORMAT

- A. Sheet Numbering** - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).
- D. Check Sheets** - When a tariff filing is made with the Florida PSC, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some sheets.)

Issued:

Effective:

By:

Nickey Maxey
Resort Hospitality Services, Ltd. d/b/a TelSouth
78 Arrow Road, Suite B
Hilton Head Island, SC 29928
(843) 842-7795

Application of Tariff

This tariff contains the regulations and rates applicable to the provision of intrastate interexchange resale common carrier communications service by RESORT HOSPITALITY SERVICES, LTD. d/b/a TELSOUTH within the State of Florida.

Issued:

Effective:

By:

Nickey Maxey
Resort Hospitality Services, Ltd. d/b/a TelSouth
78 Arrow Road, Suite B
Hilton Head Island, SC 29928
(843) 842-7795

SECTION I - TECHNICAL TERMS & ABBREVIATIONS

Access Line - A local channel for voice, data, or video communications which connects the Customer location to a location of the Company or its underlying carrier.

Account - The Customer who has agreed, orally or in writing, to honor the terms of service established by the Company. An Account may have more than one service billed to the same Customer address. An Account may include multiple locations for the same Customer.

Aggregator - Any person or other legal entity that may be a Customer and, in the ordinary course of its operations, makes telephones available to the public or to transient users of its premises, for telephone calls using a provider of operator services.

Collect Call - A billing arrangement by which the charges for a call may be billed to the called party, provided the called party agrees to accept the charges.

Commission - The Florida Public Service Commission.

Company - RESORT HOSPITALITY SERVICES, LTD.d/b/a TELSOUTH, unless stated otherwise.

Company's Point of Presence - Location of the serving central office associated with access to the Company's or its underlying carrier's network.

Consumer - A person who is not a Customer who initiates any telephone calls using operator services.

Customer - Any person, firm, partnership, corporation or other entity which subscribes to or uses service under the terms and conditions of this tariff. The Customer is responsible for the payment of charges for service offered by the Company which are subscribed to or used by the Customer. The Customer is also responsible for payment of charges for a third person's use of service to which the Customer subscribes.

Customer Dialed Calling Card - A service whereby the Customer dials all of the digits necessary to route and bill the call to a valid non-TelSouth calling card or credit card.

Issued:

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SECTION I - TECHNICAL TERMS & ABBREVIATIONS, (CONT'D.)

Equal Access - The ability of the Company to serve Customers on a presubscribed basis rather than through the use of dial access codes.

Initial And Additional Period - The Initial Period denotes the interval of time allowed at the rate specified for a connection between given service points. The Additional Period denotes the interval of time used for measuring and charging for time in excess of the Initial Period.

LATA - Local access and transport area. A geographic area established by the US District Court for the District of Columbia in Civil Action No. 82-0192.

LEC - Local Exchange Company.

Operator Station Call - A service whereby the Customer places a non-Person to Person call with the assistance of an operator (live or automated.)

Person to Person Call - A service whereby the person originating the call specifies a particular person to be reached, or a particular station, room number, department, or office to be reached through a PBX attendant.

Premises - The physical space designated by the Customer for the termination of the Company's service.

Subscriber - The person, firm, partnership, corporation or other entity who owns the property or location from which a Customer places a call utilizing the equipment and services of the Company. The Subscriber and its agents have a pre-existing business arrangement with the Company and may also be a Customer or End User.

Terminal Equipment - Telecommunications devices, apparatus and associated wiring on the Premises of the Customer.

Third Party Billing - A billing arrangement by which the charges for a call may be billed to a telephone number that is different from the calling number and the called number.

Issued:

Effective:

By:

Nickey Maxey
Resort Hospitality Services, Ltd. d/b/a TelSouth
78 Arrow Road, Suite B
Hilton Head Island, SC 29928
(843) 842-7795

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company

- 2.1.1 TelSouth is a resale common carrier providing intrastate communications long distance message toll telephone service to Customers for the transmission and reception of voice, data, and other types of communications.
- 2.1.2 The Company offers intrastate telecommunications service in conjunction with interstate service.
- 2.1.3 Long distance usage charges are based on the actual usage of network. Chargeable time begins when a connection is established between the calling station and the called station. Chargeable time ends when either party "hangs up" thereby releasing the network connection.
- 2.1.4 No charges apply to incomplete calls.

2.2 Use of Service

- 2.2.1 Service may be used for any lawful purpose for which it is technically suited.
- 2.2.2 The Customer obtains no property right or interest in the use of any specific type of facility, service, equipment, number, process, or code. All right, title and interest to such items remain, at all times, solely with the Company or its underlying carrier, as appropriate.
- 2.2.3 Recording of telephone conversations of service provided by the Company under this tariff is prohibited except as authorized by applicable federal, state and local laws.

Issued:

Effective:

By:

Nickey Maxey
Resort Hospitality Services, Ltd. d/b/a TelSouth
78 Arrow Road, Suite B
Hilton Head Island, SC 29928
(843) 842-7795

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.3 Limitations of Service

- 2.3.1** Service is offered subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff. The Company may decline applications for service to or from a location where the necessary facilities or equipment are not available. The Company may discontinue furnishing service in accordance with the terms of this tariff.
- 2.3.2** The Company reserves the right to discontinue or limit service in accordance with the terms of this tariff when necessitated by conditions beyond its control (examples of these conditions are more fully set forth elsewhere in this tariff), or when service is used in violation of provisions of this tariff or the law.
- 2.3.3** The Company does not undertake to transmit messages, but offers the use of its service when available, and, as more fully set forth elsewhere in this tariff, shall not be liable for errors in transmission or for failure to establish connections.
- 2.3.4** The Company reserves the right to refuse to process Third Party Billed calls when the billed party and/or standard validation techniques do not confirm acceptance, or based on characteristics of the originating location.
- 2.3.5** The Company reserves the right to discontinue service, limit service, or to impose requirements in accordance with the terms of this tariff as required to meet changing regulatory or statutory rules and standards, or when such rules and standards have an adverse material affect on the business or economic feasibility of providing service, as determined by the Company in its reasonable judgment.
- 2.3.6** Service is offered subject to restrictions imposed upon the Company by any authority having authority over the Company's provision of service.

Issued:

Effective:

By:

Nickey Maxey
Resort Hospitality Services, Ltd. d/b/a TelSouth
78 Arrow Road, Suite B
Hilton Head Island, SC 29928
(843) 842-7795

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.4 Assignment or Transfer

The Customer may not transfer or assign the use of service offered by the Company without the express prior written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of service. All terms and conditions contained in this tariff shall apply to all such permitted transferees or assignees, as well as all conditions of service.

2.5 Liabilities of Company

2.5.1 The liability of the Company for damages of any nature arising from errors, mistakes, omissions, interruptions, or delays of the Company, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, moving, terminating, or changing the service or facilities or equipment shall not exceed an amount equal to the charges applicable under this tariff (calculated on a proportionate basis where appropriate) to the period during which such error, mistake, omission, interruption or delay occurs.

2.5.2 In no event shall the Company be liable for any incidental, indirect, special, or consequential damages (including, but not limited to, lost revenue or profits) of any kind whatsoever regardless of the cause or foreseeability thereof.

2.5.3 When the services or facilities of other common carriers are used separately or in conjunction with the Company's facilities or equipment in establishing connection to points not reached by the Company's facilities or equipment, the Company shall not be liable for any act or omission of such other common carriers or their agents, servants or employees.

Issued:

Effective:

By:

Nickey Maxey
Resort Hospitality Services, Ltd. d/b/a TelSouth
78 Arrow Road, Suite B
Hilton Head Island, SC 29928
(843) 842-7795

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Liabilities of Company, (Cont'd.)

2.5.4 The Company shall not be liable for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing service to restore service in compliance with state or federal laws.

2.5.5 The Company shall not be liable for interruptions, delays, errors, or defects in transmission, or for any injury whatsoever, caused by the Customer, or the Customer's agents, servants, employees, or customers, or by facilities or equipment provided by the Customer.

2.6 Liability of the Customer

The Customer shall indemnify, defend and hold harmless the Company (including the costs of litigation and reasonable attorney's fees) against:

- A. Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information, or other content transmitted over the Company's facilities or equipment; and
- B. Claims for patent infringement arising from combining or connecting the Company's facilities or equipment with facilities, equipment, apparatus or systems of the Customer; and
- C. All other claims (including, without limitation, claims for damage to any business or property, or injury to, or death of, any person) arising out of any act or omission of the Customer, or the Customer's agents, servants, employees, or customers, in connection with any service or facilities or equipment provided by the Company.

Issued:

Effective:

By:

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.7 Taxes and Fees

2.7.1 For all calls, state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items on the Customer's bill and are not included in the quoted rates and charges set forth in this tariff.

2.7.2 To the extent that a municipality, other political subdivision or local agency of government, or Commission imposes upon and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee, or regulatory fee, such taxes and fees shall, insofar as practicable and allowed by law, be billed pro rata to Customers receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.7 Taxes and Fees, (Cont'd.)

2.7.3 The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs. Such adjustments shall be listed in this tariff.

A. Public Pay Telephone Surcharge

In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all interstate, intrastate and international calls that originate from any domestic pay telephone used to access the Company's services. The Public Pay Telephone Surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with the Company's service, applies for the use of the instrument used to access the Company service and is unrelated to the Company's service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and other interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (i.e., using the "#" symbol).

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.7 Taxes and Fees, (Cont'd.)

A. Public Pay Telephone Surcharge, (Cont'd.)

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

Maximum Rate per Call	\$0.30
-----------------------	--------

2.8 Terminal Equipment

The Company's facilities and service may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems, such as a telephone set, PBX or key system. Such terminal equipment shall be furnished and maintained at the expense of the Customer, except as otherwise provided. The Customer is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. When such terminal equipment is used, the equipment shall comply with applicable rules and regulations of the Federal Communications Commission, including, but not limited to, Part 68. In addition, equipment must comply with the generally accepted minimum protective criteria standards and engineering requirements of the telecommunications industry which are not barred by the Federal Communications Commission.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.9 Installation

No installation at the Customer's Premises is required to use the Company's service. Service is initiated by request of the Customer. The Company may refuse to provision service when the Company cannot verify that the party requesting the Company's service is authorized to request or to change service.

2.10 Payment for Service

2.10.1 Service is provided and billed on a monthly basis. Bills are due and payable upon receipt. A late fee of 1.5% per month (or the maximum amount allowed by law, whichever is lower) applies to any unpaid and past due balance. The late fee begins to accrue on the 30th day after the billing date. All late charge provisions will be implemented in compliance with Commission rules and regulations pertaining to the application of late fees.

2.10.2 The Customer is responsible for payment of all charges for service furnished to or used by the Customer, or the Customer's agents, servants, employees or customers. The Customer is also responsible for payment of charges for a third person's use of service to which the Customer subscribes. All charges due from the Customer are payable to the Company or to the Company's authorized billing agent. Any objections to billed charges should be reported to the Company or its billing agent within thirty days after receipt of the bill. If objection in writing is not received by the Company within the applicable statute of limitations after the bill is rendered, the Account shall be deemed correct and binding upon the Customer.

2.10.3 The Company reserves the right to assess a charge not to exceed the maximum amount determined by applicable state law, whenever a check or draft presented for payment of service is not accepted by the institution upon which it is written.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.10 Payment for Service, (Cont'd.)

2.10.5 The Customer shall be responsible for all calls placed by or through Customer's equipment by any person. In particular and without limitation to the foregoing, the Customer is responsible for any calls placed by or through the Customer's equipment via any remote access features. The Customer is responsible for all calls placed via their Authorization Code, whether such use is as a result of the Customer's intentional or negligent disclosure of the Authorization Code or otherwise.

2.11 Deposits

The Company does not require deposits for Florida services other than prepaid calling cards.

2.12 Advance Payments

The Company does not require advance payment for Florida services.

2.13 Interruption of Service

Credit allowances for interruptions of service which are not due to the Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment and/or communications systems provided by the Customer, are subject to the general liability provisions set forth in this tariff. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired by the Customer. Before giving such notice, the Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any, furnished by the Customer. Interruptions caused by Customer-provided, or Company-provided automatic dialing equipment are not deemed an interruption of service as defined herein since the Customer has the option of using the long distance network via LEC access. For purposes of credit computation, every month shall be considered to have 30 days. For services with a monthly recurring charge, no credit shall be allowed for an interruption of continuous duration of less than twenty-four hours. For message rated toll services, credits will be limited to, at maximum, the price of the initial period of the individual call that was interrupted.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.14 Discontinuance and Restoration of Service

Service continues to be provided until canceled by the Customer or until canceled by the Company as set forth below. The Company may render bills subsequent to the termination of service for charges incurred before termination. The Customer shall pay such bills in full in accordance with the payment terms of this tariff.

2.14.1 Service may be suspended by the Company, without notice to the Customer, by blocking traffic to certain cities or NXX exchanges, or by blocking calls using certain Customer travel cards when the Company deems it necessary to take such action to prevent unlawful use of its service. will restore services as soon as it can be provided without undue risk, and will upon request by the Customer, assign new travel card codes to replace ones that have been deactivated.

2.14.2 Cancellation by the Customer

The Customer may have service discontinued upon written or verbal notice to the Company. The Customer shall pay the Company for service furnished until the cancellation date specified by the Customer or until the date that the written cancellation notice is received, whichever is later.

2.14.3 Cancellation by the Company

The company, upon 5 working days written notice to the customer, may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:

- A.** Non-payment of any sum due to the Company for regulated service for more than thirty days beyond the date of rendition of the bill for such service.
- B.** For returned checks: The Customer whose check or draft is returned unpaid for any reason, after two attempts at collection, and if the bill is more than 30 days past due, shall be subject to discontinuance of service in the same manner as provided for nonpayment of overdue charges.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.14 Discontinuance and Restoration of Service, (Cont'd.)

2.14.3 Cancellation by the Company, (Cont'd.)

- C.** A violation of any regulation governing the service under this tariff.
- D.** A violation of any law, rule, or regulation of any government authority having jurisdiction over such service.
- E.** For the Company to comply with any order or request of any governmental authority having jurisdiction: The Customer shall be subject to discontinuance of service, without notice, in order to permit the Company to comply with any order or request of any governmental authority having jurisdiction.
- F.** The Company has given the customer notice and has allowed a reasonable time to comply with any rule, or remedy, and deficiency as stated in Rule 25-4.4.113, F.A.C., Refusal or Discontinuance of Service By Company.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.14 Discontinuance and Restoration of Service, (Cont'd.)

2.14.4 Notice of Discontinuance

The Company may refuse or discontinue service under the following conditions provided that, unless otherwise stated in this tariff, the Customer shall be given reasonable notice, to comply with any rule or remedy any deficiency:

- A. For nonpayment: The Company, by written notice to the Customer and in accordance with applicable law, may discontinue service or cancel an application for service without incurring any liability when there is an unpaid balance for service that is more than 30 days overdue. Suspension or termination of service shall not be made without five (5) days written notice to the Customer, except in cases of extreme risk involving excessive or abnormal use of toll service, in which case service may be denied two days after written notice is given to the Customer unless satisfactory arrangements for payment are made. Such notice will be provided in a mailing separate from the customer's regular monthly bill for service.
- B. For returned checks: The Customer whose check or draft is returned unpaid for any reason, after two attempts at collection, and if the bill is more than 30 days past due, shall be subject to discontinuance of service in the same manner as provided for nonpayment of overdue charges.
- C. For lack of use: The Company, by written notice to the Customer, may discontinue service in the same manner as provided for nonpayment of overdue charges if after reasonable inquiry, and reasonable attempt to contact the Customer, the Company determines that the service has been abandoned.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.14 Discontinuance and Restoration of Service, (Cont'd.)

2.14.4 Notice of Discontinuance, (Cont'd.)

- D.** For unauthorized or unlawful use of service: Except as provided elsewhere in this tariff, the Customer shall be subject to discontinuance of service, without notice, for any unauthorized or unlawful use of the Company's service.
- E.** For the Company to comply with any order or request of any governmental authority having jurisdiction: The Customer shall be subject to discontinuance of service, without notice, in order to permit the Company to comply with any order or request of any governmental authority having jurisdiction.
- F.** For use of telephone service for any purpose other than that described in the application.
- G.** For neglect or refusal to provide reasonable access to or its agents for the purpose of inspection and maintenance of equipment owned by or its agents.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.14 Discontinuance and Restoration of Service, (Cont'd.)

2.14.4 Notice of Discontinuance, (Cont'd.)

- H.** For noncompliance with or violation of Commission regulation or rules and regulations on file with the Commission, provided five (5) working days' written notice is given before termination.
- I.** Without notice in the event of Customer or Authorized User use of equipment in such a manner as to adversely affect' equipment or service to others.
- J.** Without notice in the event of tampering with the equipment or services owned by or its agents when such tampering is determined by the Company to impose a hazard or impairment of service to other Customers.
- L.** Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.

2.14.5 Restoration of Service

If service has been discontinued for nonpayment or as otherwise provided herein and the Customer wishes it continued, service shall, at the Company's discretion, be restored when all past due amounts are paid or the event giving rise to the discontinuance (if other than nonpayment) is corrected.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.15 Application for Service

The Company reserves the right to require Customers to make application(s) for service in writing using forms provided by the Company. Upon acceptance of an application for service by the Company, all applicable provisions in the Company's tariffs, as amended from time-to-time which are lawfully on file, become the agreement for service between the Company and the Customer. Requests for additional service and changes to service, upon acceptance by the Company, become a part of the agreement for service provided that each item of additional service shall be subject to the applicable minimum term of service. Acceptance or use of service offered by the Company shall be deemed an application for such service and an agreement by the Customer to subscribe to, use, and pay for such service in accordance with the applicable tariffs of the Company, as amended from time to time, which are lawfully on file. Any change in rates or other tariff provisions which are lawfully made shall be deemed to modify all agreements for service affected by such changes without further notice by Company to the Customer.

2.16 Interconnection

2.16.1 Service furnished by the Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to technical limitations established by the Company. Service furnished by the Company is not part of a joint undertaking with such other common carriers or systems. The Company does not undertake to provide any special facilities, equipment, or services to enable the Customer to interconnect the facilities or the equipment of the Company with services or facilities of other common carriers or with private systems.

2.16.2 Interconnection with the services or facilities of other common carriers shall be under the applicable terms and conditions of this tariff and the other common carrier's tariffs.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.16 Interconnection, (Cont'd.)

2.16.3 The Customer shall ensure that the facilities or equipment provided by the Customer are properly interconnected with the facilities or equipment of the Company. If the Customer maintains or operates the interconnected facilities or equipment in a manner which results or may result in harm to the Company's facilities, equipment, personnel, or the quality of service, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this written notice fails to eliminate the actual or potential harm, the Company may terminate the existing service of the Customer pursuant to Section 2.14 of this tariff.

2.17 Inspection, Testing and Adjustment

Upon reasonable notice, the facilities provided by the Company shall be made available to the Company for such tests and adjustments as may be deemed necessary for maintenance in a condition satisfactory to the Company. No interruption allowance will be granted for the time during which such tests and adjustments are made.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.18 Local Charges and Cellular Air Time Charges

In certain instances, the Customer may be subject to local exchange company charges or message unit charges or to cellular company air time charges to access the Company's network or to terminate intrastate calls. The Company shall not be responsible for any such local charges incurred by the Customer in gaining access to the Company's network.

2.19 Marketing

As a telephone utility under the regulation of the Public Service Commission of Florida, [the Company does] hereby assert and affirm that as a reseller of intrastate telecommunications service, [the Company] will not indulge or participate in deceptive or misleading telecommunications marketing practices to the detriment of consumers in Florida, and [the Company] will comply with those marketing procedures, if any, set forth by the Public Service Commission. Additionally, [the Company] will be responsible for the marketing practices of [its] contracted telemarketers for compliance with this provision. [The Company understands] that violation of this provision could result in a rule to Show Cause as to the withdrawal of [its] certification to complete intrastate telecommunications traffic within the state of Florida.

2.23 Other Rules

2.22.1 The Company reserves the right to validate the credit worthiness of Customers through available verification procedures to establish an acceptable billing method in order to place a call.

2.22.2 The Company reserves the right to limit service or to impose requirements on Customers as required to meet changing regulations, rules or standards of the Florida PSC.

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SECTION 3 - DESCRIPTION OF SERVICE AND RATES

3.1 Description of Call Types

3.1.1 Customer Dialed Calling Card or Credit Card -

A service whereby the end user dials all of the digits necessary to route and bill the call without any operator assistance

3.1.2 Operator-Assisted Station - A service whereby caller places a station to station call which is billed via credit card, calling card, collect, or third party with the assistance of an operator (live or automated).

3.1.3 Operator Dialed Surcharge - This charge applies to calls when the user dials "0" only and requests that the operator dial the destination number.

3.1.4 Person-to-Person - A service whereby the person originating the call specifies a particular person to be reached, or a particular station, room number, department, or office to be reached through a PBX attendant. A person-to-person may be billed to the called party, a third number, a credit card, or a calling card.

3.2 Timing of Calls

Billing for calls placed over the network is based in part on the duration of the call.

3.2.1 Timing for Person-to-Person calls begin when the caller is connected to the designated party or agreed upon alternate. Timing for all other calls begins when the called party answers the call (i.e. when two way communications are established). Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.

3.2.2 Chargeable time for all calls ends when one of the parties disconnects from the call.

3.2.3 Minimum call duration for billing purposes is one minute unless otherwise specified in the individual rate schedules of this tariff. Calls are measured and billed in one minute increments unless otherwise indicated in this tariff. Any partial minute is rounded up to a full minute.

3.2.4 No charges apply to incomplete calls.

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SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.3 Minimum Call Completion Rate

A customer can expect a call completion rate of not less than 90% during peak use periods for all Feature Group D services ("1+" dialing).

3.4 Description of Service

TelSouth Long Distance Service is offered to customers for calling within the State of Florida. Customers access TelSouth's network via local exchange company provided feature group access. TelSouth's Operator-Assisted Long Distance Service is provided for use by transient end users at host locations. This service anticipates the provision of Operator Services or billing options.

3.5 Special Promotions

The Company will, from time to time, offer special promotions to its customers waiving certain charges. These promotions will be approved by the Commission with specific starting and ending dates.

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SECTION 4 - RATES

4.1 TelSouth Operator-Assisted Long Distance Services

Each Minute: \$.35

4.2 Additional Charges

InterLATA Calling

Operator Assisted Station:	2.25
Customer Dialed Calling/Credit Card	1.25
Person-to-Person:	3.50
Operator Dialed Calling Card:	2.45

IntraLATA Calling

Operator Assisted Station:	1.50
Customer Dialed Calling/Credit Card	1.25
Person-to-Person:	3.00
Operator Dialed Calling Card:	1.50

4.3 Location Surcharges

TelSouth may collect location surcharges on behalf of Subscribers or Aggregators. This charge applies in addition to usage charges and other applicable per message service charges for calls placed from a Subscriber location by transient end users. Location surcharges are included with usage charges on the Customer's bill for the Company's services. TelSouth reserves the right to limit the amount of location surcharges it collects on behalf of the Subscriber.

Location Surcharges: \$1.00 per call

4.4 Directory Assistance

Each Call: \$.60

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JOHN J. PRINGLE, JR.

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TELEPHONE 779-0066
FACSIMILE 799-8479

July 20, 1999

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Boulevard
Gerald Gunter Building
Tallahassee FL 32399-0850

DEPOSIT DATE
D172 JUL 22 1999

RE: Application of Resort Hospitality Services, Ltd. d/b/a TelSouth
for Authority to Provide Interexchange Telecommunications Services
Within the State of Florida
Our File No. 99.69

Dear Sir or Madam:

Enclosed is the original and six (6) copies of the **Application** and associated filing fee filed on behalf of Resort Hospitality Services, Ltd., d/b/a TelSouth in the above-referenced matter.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the envelope provided.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours.

DOCUMENT NUMBER - DATE
08708 JUL 22 99
FPC - RECORDS REPORTING

RESORT HOSPITALITY SERVICES, LTD.

P.O. BOX 5568
HILTON HEAD ISLAND, SC 29938

FIRST UNION NATIONAL BANK
OF SOUTH CAROLINA
HILTON HEAD, SC 29938
67-776-532

27609

Jul 15, 1999 *****\$250.00

PAY Two Hundred Fifty and 0/100 Dollars

DATE

AMOUNT

TO THE ORDER OF FLORIDA PUBLIC SERVICE COMM

Debbie Mafe
Neil Kurlinkov
TWO SIGNATURES REQUIRED

00027609

Security features included. Details on back.