



415 Hepplewhite Dr.
Johns Creek, GA 30022
770-649-1886 / fax 770-645-6545
Eileen@Bodamer.com

RECEIVED

DEC 28 2015

PUBLIC SERVICE
COMMISSION

December 22, 2015

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Case No. 2015-00430

Re: EAS Agreement between South Central Rural Telephone Cooperative Corporation, Inc.
and Peerless Networks

Dear Mr. Derouen:

Submitted via EFS on behalf of South Central Rural Telephone Cooperative Corporation, Inc. ("SCRTC") and Peerless Networks is a negotiated agreement for the provision of Extended Area Service between the two companies. A paper version of this document is being US Mailed as well.

This Agreement was reached through voluntary negotiations with out resort to mediation or arbitration and is submitted for approval pursuant to Section 252(e) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996.

If you have any questions, please contact Donnie Bennett at Donnie.Bennett@scrtc.net or 270-678-2111.

Sincerely,

Eileen M Bodamer, Consultant to SCRTC

Enclosures

Cc (letter only, via email):
David R. Davis, General Manager/COO SCRTC
Donnie Bennett, Regulatory Manager at SCRTC
Elizabeth Addy, Account Executive, Peerless Networks

RECEIVED

DEC 28 2015

PUBLIC SERVICE
COMMISSION

AGREEMENT

for the

TRANSPORT AND TERMINATION OF EXTENDED AREA SERVICE (EAS) TRAFFIC

Effective as of 18 Dec, 2015

Between

South Central Rural Telephone Cooperative Corporation, Inc.

and

Peerless Network of Kentucky, LLC

Table of Contents

1.0 DEFINITIONS.....3
2.0 INTERPRETATION AND CONSTRUCTION6
3.0 EAS TRAFFIC6
 3.1 SCOPE OF TRAFFIC COVERED BY THIS AGREEMENT6
 3.2 EXCLUDED TRAFFIC7
 3.3 INTERMEDIARY EAS TRAFFIC FUNCTIONS7
 3.4 ACCESS TRAFFIC7
 3.5 INTENTIONALLY LEFT BLANK.....8
 3.6 TRUNK GROUPS8
 3.7 SIGNALING8
 3.8 NETWORK MAINTENANCE AND TRUNK PROVISIONING9
 3.9 NO COMPENSATION9
4.0 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES9
5.0 NO CANCELLATION OR NON-RECURRING CHARGES9
6.0 INDEMNIFICATION.....9
7.0 LIMITATION OF LIABILITY10
8.0 TERM AND TERMINATION11
9.0 COMPLIANCE WITH LAWS AND REGULATIONS11
10.0 SEVERABILITY11
11.0 MISCELLANEOUS12
 11.1 AUTHORIZATION.....12
 11.2 DISCLAIMER OF AGENCY; NO THIRD PARTY BENEFICIARIES; INDEPENDENT
 CONTRACTOR12
 11.3 FORCE MAJEURE12
 11.4 TREATMENT OF PROPRIETARY AND CONFIDENTIAL INFORMATION12
 11.5 CHOICE OF LAW13
 11.6 TAXES13
 11.7 BILLING AND PAYMENT; DISPUTED AMOUNTS16
 11.8 DISPUTE RESOLUTION17
 11.9 NOTICES.....17
 11.10 JOINT WORK PRODUCT17
 11.11 NO LICENSE17
 11.12 SURVIVAL18
 11.13 PUBLICITY AND USE OF TRADEMARKS OR SERVICE MARKS.....18
 11.14 NON-WAIVER18
 11.15 ENTIRE AGREEMENT.....18
 11.16 COUNTERPARTS19
 11.17 MODIFICATION, AMENDMENT, SUPPLEMENT, OR WAIVER19
EXHIBIT 120

AGREEMENT
for the
TRANSPORT AND TERMINATION OF EXTENDED AREA SERVICE (EAS) TRAFFIC

This AGREEMENT FOR THE TRANSPORT AND TERMINATION OF EXTENDED AREA SERVICE ("EAS") TRAFFIC ("Agreement") by and between South Central Rural Telephone Cooperative Corporation, Inc. ("SCRTC"), a Kentucky corporation with offices at 1399 Happy Valley Road, Glasgow, Kentucky 42142 and Peerless Network of Kentucky, LLC ("CLEC"), a Kentucky limited liability company with offices at 222 S Riverside Plaza, Suite 2730, Chicago, IL 60606. This Agreement may refer to either SCRTC or CLEC as a "Party" or to both SCRTC and CLEC as the "Parties."

RECITALS

WHEREAS, SCRTC and CLEC are local exchange carriers authorized to provide telecommunications services in the Commonwealth of Kentucky; and

WHEREAS, the Parties individually provide telecommunications services in specific exchange areas in the Commonwealth of Kentucky; and

WHEREAS, the Parties recognize that their respective end users may have Extended Area Service ("EAS") calling interests between certain separate communities; and

WHEREAS, the communities between which EAS calling may be provided are each separate and mutually exclusive geographic areas; and

WHEREAS, the Parties recognize that the ability to provide EAS calling to their respective customers is dependent on the establishment of connecting carrier facilities and appropriate terms and conditions between the Parties; and

WHEREAS, SCRTC's service and network responsibilities do not extend beyond SCRTC's incumbent LEC local service area; and

WHEREAS, the Parties desire to interconnect their respective networks to allow either Party to deliver specific EAS Traffic to the other Party for transport and termination on the other Party's network;

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SCRTC and CLEC hereby agree as follows:

This Agreement sets forth the terms, conditions, and compensation between the Parties for the establishment of connecting facilities and for transport and termination of EAS Traffic delivered by one Party to the other Party.

1.0 DEFINITIONS

If used in this Agreement, the following terms have the meanings specified below in this Section 1.0.

1.1 "Act" means the Communications Act of 1934, as amended.

1.2 "Affiliate" means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, a Party to this Agreement.

1.3 "Commission" means the Kentucky Public Service Commission.

1.4 "Common Channel Interoffice Signaling" or "CCIS" or "Common Channel Signaling System 7" ("CCS") mean the signaling system, developed for use between switching systems with stored-program control, for transmitting call set-up and network control data over a digital signaling network separate from the public switched telephone network facilities that carry the actual voice or data traffic of the call. "SS7" means the common channel out of band signaling protocol developed by the Consultative Committee for International Telephone and Telegraph ("CCITT") and the American National Standards Institute ("ANSI").

1.5 "Customer," "End User" or "End User Customer" means a residential or business subscriber that is physically located within the Parties' geographic Local Service Exchange Areas as set forth in Exhibit 1 to this Agreement, and is the ultimate user of Telecommunications Services provided by either of the Parties and for purposes of this Agreement may place or receive EAS calls.

1.6 "Digital Signal Level" means one of several transmission rates in the time-division multiplex hierarchy.

1.7 "Digital Signal Level 1" or "DS1" or "T1" means the 1.544 Mbps first-level signal in the time-division multiplex hierarchy. In the time-division multiplexing hierarchy of the telephone network, DS1 is the initial level of multiplexing.

1.8 "Digital Signal Level 3" or "DS3" or "T3" means the 44.736 Mbps third-level in the time-division multiplex hierarchy. In the time-division multiplexing hierarchy of the telephone network, DS3 is defined as the third level of multiplexing.

1.9 "Extended Area Service" or "EAS" is a service arrangement whereby End Users that obtain local exchange service in a specific Local Service Exchange Area are provided the ability to place interexchange calls to End Users that obtain local exchange service in another mutually exclusive specific Local Service Exchange Area on the basis of terms, conditions and charges that are distinct from the terms applicable to message toll service and exchange service. EAS is separate and distinct from exchange service that permits end users that obtain local exchange service in a specific Local Service Exchange Area to place calls to end users that obtain local exchange service in the same Local Service Exchange Area. EAS is separate and distinct from toll services that permit end users to place interexchange calls according to interexchange toll rates based on usage and/or distance-based charges. EAS calling is established to meet the public interest demand of end users that reside and obtain local exchange service in specific communities to place calls to end users that reside and obtain local exchange service in other specific communities without incurring specific telephone message toll charges. For purposes of this Agreement, EAS includes traffic between the specific Local Service Exchange Areas, as set forth in Exhibit 1 of this Agreement.

1.10 "EAS Traffic" means two way traffic that falls within the definition of "EAS" that is exchanged between the Parties.

1.11 "Information Service" is as defined in the Communications Act of 1934, as amended.

1.12 Intentionally left blank.

1.13 Intentionally left blank.

1.14 “Local Exchange Carrier” or “LEC” is any common carrier authorized to provide local exchange and exchange access services.

1.15 “Local Service Exchange Area” is a specific geographic service area encompassing an exchange area served by a Party as set forth in Exhibit 1 to this Agreement. The Local Service Exchange Areas define the mutually exclusive geographic areas between which the Parties exchange EAS pursuant to this Agreement.

1.16 “NXX Code” means a ten thousand (10,000) block or a one thousand (1000) block of numbers which has the same initial three (3) digit prefix with a seven digit dialing sequence which is assigned to a LEC for the provision of its local exchange service.

1.17 “Point of Connection” or “POC” means the mutually agreed upon point of demarcation, within the incumbent service area of SCRTC, where the Parties connect their networks for the exchange of EAS Traffic.

1.18 “Rate Center” means the specific geographic point (“Vertical and Horizontal” (“V&H”) coordinates) and corresponding geographic area which are associated with one or more particular NPA-NXX codes which have been assigned to a LEC for its provision of basic exchange telecommunications services. The “rate center point” is the finite geographic point identified by a specific V&H coordinate, which is used to measure distance-sensitive end user traffic to/from the particular NPA-NXX designations associated with the specific Rate Center. The “rate center area” is the exclusive geographic area identified as the area within which the LEC provides basic exchange telecommunications service bearing the particular NPA-NXX designations associated with the specific Rate Center.

1.19 “Tariff” means any applicable federal or state tariff of a Party that sets forth the generally available terms and conditions under which a Party offers a particular service, facility, or arrangement.

1.20 “Telecommunications” means the transmission, between or among points specified by the user, of information of the user’s choosing, without change in the form or content of the information as sent or received.

1.21 “Termination” is, with respect to EAS Traffic pursuant to this Agreement, the switching of EAS Traffic at the terminating carrier’s end office switch, or equivalent facility, and delivery of such traffic to the called party’s premises.

1.22 “Transport” is, with respect to EAS Traffic pursuant to this Agreement, the transmission from the POC to the terminating carrier’s end office switch that serves the called party.

1.23 “Voice over Internet Protocol Originated/Terminated Traffic” or “VoIP Originated/Terminated Traffic” is, with respect to EAS Traffic pursuant to this Agreement, voice communication traffic that is originated or terminated over an IP network between End Users physically located within the Parties’ geographic Local Service Exchange Areas as set forth in Exhibit 1 to this Agreement. For purposes of the Agreement, VoIP Originated /Terminated Traffic that is not EAS traffic will be billed as access traffic..

2.0 INTERPRETATION AND CONSTRUCTION

2.1 All references to Sections, Exhibits and Schedules are deemed to be references to Sections of, and Exhibits and Schedules to, this Agreement unless the context otherwise requires. The headings used in this Agreement are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning of this Agreement. Unless the context shall otherwise require, any reference to any agreement, other instrument (including offerings, guides or practices of SCRTC, CLEC or other third party), statute, regulation, rule or tariff is to such agreement, instrument, statute, regulation, or rule or tariff as amended and supplemented from time to time (and, in the case of a statute, regulation, rule or tariff, to any successor provision).

2.2 The Parties acknowledge that some of the services, facilities, or arrangements described herein reference the terms of federal or state Tariffs of the Parties. Each Party hereby incorporates by reference those provisions of any tariff that governs any terms specified in this Agreement for the exchange of EAS Traffic. If any provision contained in this main body of the Agreement and any Exhibit hereto cannot be reasonably construed or interpreted to avoid conflict, the provision contained in this main body of this Agreement prevails.

3.0 EAS TRAFFIC

3.1 SCOPE OF TRAFFIC COVERED BY THIS AGREEMENT

3.1.1 This Agreement sets forth the terms and conditions under which the Parties agree to Transport and Terminate certain EAS Traffic delivered by one Party to the other Party at the POC. This Agreement only applies to the delivery of EAS Traffic between an End User of one Party and an End User of the other Party. The specific Local Service Exchange Areas that are the subject of this Agreement between which customers of the Parties may be provided EAS calling service(s), together with the identification and location of associated end offices and location(s) of Point(s) of Connection, are set forth in Exhibit 1 to this Agreement.

3.1.2 This Agreement only applies to the specific Local Service Exchange Areas specified in Exhibit 1. From time to time, the Parties can negotiate the exchange of EAS Traffic between additional pairs of Local Service Exchange Areas, but this Agreement does not require the Parties to negotiate any changes. Without agreement by both Parties to such changes, the specific Local Service Exchange Areas set forth in Exhibit 1 and the combination(s) of Local Service Exchange Areas that determines EAS calling as also set forth in Exhibit 1 will not change. It will constitute a default of this Agreement for a Party to deliver over the connecting network facilities any traffic other than the traffic that is within the scope of this Agreement as specifically identified in this Section 3.

3.1.3 Each Party agrees that it will not provision any of its services in a manner that will result in, or permits, the arbitrage and/or circumvention of the application of intrastate or interstate access charges by the other Party including, but not limited to, the resale or bridging of EAS service beyond the two specified Local Service Exchange Areas between which EAS is provided or the assignment of NPA-NXX numbers associated with one Rate Center for End Users that obtain local exchange service in a different Rate Center.

3.1.4 Both Parties warrant and represent that they will: (a) assign telephone numbers in a manner consistent with this Agreement to End Users that obtain local exchange service in the Rate Center associated with the telephone number; (b) provision their local exchange carrier services in a manner that the resulting traffic exchanged between the Parties pursuant to this Agreement will be confined to the scope of the traffic as set forth in this Section; (c) adopt the Rate Center areas and Rate

Center points that are identical to those used by the incumbent local exchange carriers that serve the Local Service Exchange Areas related to the EAS Traffic pursuant to this Agreement; (d) will assign whole NXX Codes to each Rate Center, or where, applicable, thousand number blocks within a NXX Code assigned to that Rate Center; and (e) provide Calling Party Number on all EAS Traffic delivered to the other Party. Both Parties agree that they will engineer their respective networks and design their respective systems to deliver traffic in compliance with this Section 3.

3.1.5 If a Party violates (the "Violating Party") any of the terms, warranties or representations provided for in this Section 3.0 (a "Violation"), and if the other Party (the "Non-Violating Party") provides written notification to the Violating Party of a suspected Violation(s), or if the Violating Party discovers the Violation(s) itself, the Violating Party will, unless otherwise mutually agreed to by the Parties, within five (5) days following such notification or discovery, correct and/or remove the specific service arrangement that has resulted in the Violation(s). In addition, the Non-Violating Party may request a study or other such demonstration of available switch data or other information that the Violation(s) has been corrected and/or removed. The cost of any such study or demonstration that the Violation has been corrected and/or removed shall be borne by the Violating Party. It will constitute a default of this Agreement if a Party does not correct and/or remove the Violation after notification or discovery within five (5) days.

3.2 EXCLUDED TRAFFIC

This Agreement does not cover any traffic originating or terminating in areas other than the Local Service Exchange Areas set forth in Exhibit 1. This Agreement does not apply to any traffic that both originates and terminates within the same Local Service Exchange Area. Except as provided in Section 3.4, below, the terms and conditions of this Agreement are not applicable to IntraLATA toll traffic; switched access traffic; InterLATA toll traffic; or any other traffic that is not specifically identified in Section 3 as subject to this Agreement. Except as provided in Section 3.3 below, this Agreement is not applicable to: (i) traffic originated by, or terminated to an End User physically located outside of the Parties' geographic Local Service Exchange Areas; (ii) traffic originated, terminated, or carried on third party networks not Parties to this Agreement, but not including either Party's VoIP wholesale subscribers or (iii) any traffic originated or terminated by users of Commercial Mobile Radio Services licensees. Other types of traffic including but not limited to operator services, busy line verification and 911 / E911 traffic are expressly excluded from this Agreement. Each Party agrees that it shall be wholly responsible for its End Users and Customers, including wholesale Customers, for compliance with this Agreement.

3.3 INTERMEDIARY EAS TRAFFIC FUNCTIONS

Neither Party will provide an intermediary function for the other Party's connection of its end users to the end users of a third party telecommunications carrier without the consent of all parties and without the establishment of mutually agreeable terms and conditions governing the provision of the intermediary function.

3.4 ACCESS TRAFFIC

3.4.1 Notwithstanding the requirements, warranties and representations set forth in this Section 3, whenever the originating Party delivers traffic to the terminating Party for termination on the terminating Party's network, if the originating Party in good faith determines that the terminating Party has deployed or permitted the use of its NPX-NXX codes to serve Customers or End Users in violation of this Agreement so that the originating Party cannot reasonably determine whether the traffic is between End Users in different geographic areas between which EAS calling is exchanged by the Parties pursuant

to this Agreement or whether the traffic is interexchange toll or access traffic, the originating Party will provide the terminating Party thirty (30) days prior written notice of such breach of the Agreement and that it will charge the terminating Party originating intrastate exchange access charges for such applicable originating usage pursuant to the access charge terms, conditions, and rates that the originating Party applies to intraLATA toll providers as per its intrastate switched access tariff. The terminating Party may, within thirty (30) days of its receipt of such notice from the originating Party, remedy any such breach or provide the originating Party notice of its bona fide dispute of the originating Party's determination and its intention to bill such originating access charges and include in such notice the specific details and reasons for such dispute. Any such dispute between the Parties may then proceed under the dispute resolution provisions of Section 11.8.

3.4.2 If the terminating Party in good faith determines that the originating Party has deployed or permitted the use of its NPA-NXX codes in violation of this Agreement so that the terminating Party cannot reasonably determine whether the traffic delivered to the terminating Party's network by the originating Party is EAS traffic or whether the traffic is interexchange toll or access traffic, the terminating Party will provide the originating Party thirty (30) days prior written notice of such breach of the Agreement and that it will charge the originating Party terminating intrastate access charges to the originating Party pursuant to its intrastate switched access tariff. The originating Party may, within thirty (30) days of its receipt of such notice from the terminating Party, remedy any such breach or provide the terminating Party notice of its bona fide dispute of the terminating Party's determination and its intention to bill such terminating access charges and include in such notice the specific details and reasons for such dispute. Any such dispute between the Parties may then proceed under the dispute resolution provisions of Section 11.8.

3.5 INTENTIONALLY LEFT BLANK

3.6 TRUNK GROUPS

3.6.1 The Parties agree to interconnect their respective networks for the purpose of allowing each Party to deliver EAS Traffic to the other Party. The Parties agree to establish the Point(s) of Connection as set forth in Exhibit I. Each Party will make available to the other Party, at the POC(s), trunks over which the originating Party can terminate EAS Traffic to the End Users of the terminating Party. Parties will interconnect via a trunk dedicated to the Parties for their respective exchange of traffic under this Agreement. Such direct interconnection may be accomplished through the lease of facilities from a third-party, lease of facilities by CLEC from SCRTC, CLEC self-provisioned facilities, or any other method agreed to in writing by the Parties.

3.6.2 The Parties agree to work cooperatively to forecast trunk requirements for the exchange of EAS Traffic between the respective End Users of the Parties. Where EAS Traffic volumes are not established, trunk groups will be provisioned initially based on forecasts jointly developed by the Parties. The Parties may decide to provision one-way or two-way trunking arrangements.

3.6.3 Each Party is individually responsible for the provision and maintenance of facilities within its network to the POC which are necessary for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering such traffic to the other Party's network in a mutually acceptable format and in a manner that neither destroys nor degrades the normal quality of service each Party provides to its respective end users.

3.7 SIGNALING

Both Parties agree to exchange SS7 Common Channel Signaling ("CCS") between their

respective networks where technically feasible for EAS calls exchanged pursuant to this Agreement. Both Parties will provide CCS connectivity in accordance with accepted industry practice and standard technical specifications. The Parties agree to cooperate on the exchange of all appropriate CCS messages for EAS call set-up, including ISDN User Part ("ISUP") and Transaction Capability User Part ("TCAP") messages to facilitate interoperability of CCS-based features and functions between their respective networks, including CLASS features and functions. All CCS signaling parameters will be provided in conjunction with EAS Traffic where available with specific trunk connections.

3.8 NETWORK MAINTENANCE AND TRUNK PROVISIONING

The Parties will work cooperatively to install and maintain a reliable network for the provision of EAS calling between the Parties' respective end users. The Parties will exchange relevant information to maintain reliability. The Parties agree to work cooperatively to forecast trunk requirements.

3.9 NO COMPENSATION

Except as provided in Subsection 3.4, the Parties will transport and terminate each other's EAS Traffic on a bill and keep basis (i.e., without compensation paid by either Party to the other Party), on a presumption that the origination of EAS traffic is generally in balance between the Parties.

4.0 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES

EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NEITHER PARTY MAKES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, FUNCTIONS AND PRODUCTS IT PROVIDES UNDER OR CONTEMPLATED BY THIS AGREEMENT AND THE PARTIES DISCLAIM THE IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

5.0 NO CANCELLATION OR NON-RECURRING CHARGES

No cancellation charges will apply with respect to any of the terms of this Agreement. Except as provided in Subsection 3.4, no non-recurring charges will apply with respect to any of the terms of this Agreement.

6.0 INDEMNIFICATION

6.1 Each Party agrees to release, indemnify, defend and hold harmless the other Party from and against all losses, claims, demands, damages, expenses, suits or other actions, or any liability whatsoever related to the subject matter of this Agreement, including, but not limited to, costs and attorneys' fees (collectively, a "Loss") (a) whether suffered, made, instituted, or asserted by any other party or person, relating to personal injury to or death of any person, or for loss, damage to, or destruction of real and/or personal property, whether or not owned by others, incurred during the term of this Agreement and to the extent proximately caused by the acts or omissions of the indemnifying Party, regardless of the form of action, or (b) suffered, made, instituted, or asserted by its own customer(s) against the other Party arising out of the other Party's provision of services to the indemnifying Party under this Agreement. Notwithstanding the foregoing indemnification, nothing in this Section 6.0 will affect or limit any claims, remedies, or other actions the indemnifying Party may have against the indemnified Party under this Agreement, any other contract, or any applicable Tariff(s), regulations or laws for the indemnified Party's provision of said services.

6.2 The indemnification provided herein is conditioned upon:

- (a) Prompt notice by the indemnified Party to the indemnifying Party of any action taken against the indemnified Party relating to the indemnification.
- (b) Sole authority by the indemnifying Party to defend any such action, including the selection of legal counsel. However, the indemnified Party may engage separate legal counsel at its sole cost and expense.
- (c) Prior written consent of the indemnified Party, which consent will not be unreasonably withheld before the indemnifying Party settles or consents to any judgment pertaining to the action.
- (d) The indemnified Party's assertion of any and all provisions in its Tariffs that limit liability to third parties as a bar to any recovery by the third party claimant in excess of such limitation of liability.
- (e) Reasonable cooperation and assistance in the defense of any such action by the indemnified Party.

6.3 In addition to its indemnity obligations under Sections 6.1 and 6.2, each Party will provide, in its Tariffs that relate to any Telecommunications Service or Network Element provided or contemplated under this Agreement, that in no case shall such Party or any of its agents, contractors or others retained by such parties be liable to any Customer or third party for (i) any Loss relating to or arising out of this Agreement, whether in contract or tort, that exceeds the amount such Party would have charged the applicable Customer for the service(s) or function(s) that gave rise to such Loss, or (ii) any Consequential Damages (as defined in subsection 7.2, below).

7.0 LIMITATION OF LIABILITY

7.1 Except in the instance of harm resulting from an intentional or grossly negligent action of one Party, the Parties agree to limit liability in accordance with this Section 7. The liability of either Party to the other Party for damages arising out of failure to comply with a direction to install, restore or terminate facilities; or out of failures, mistakes, omissions, interruptions, delays, errors, or defects occurring in the course of furnishing any services, arrangements, or facilities hereunder will be determined in accordance with the terms of the applicable tariff(s) of the providing Party. In the event no tariff(s) apply, the providing Party's liability will not exceed an amount equal to the pro rata monthly charge for the period in which such failures, mistakes, omissions, interruptions, delays, errors or defects occur. Recovery of said amount will be the injured Party's sole and exclusive remedy against the providing Party for such failures, mistakes, omissions, interruptions, delays, errors or defects. Because of the mutual nature of the exchange of traffic arrangement between the Parties pursuant to this Agreement, the Parties acknowledge that the amount of liability incurred under Section 7.1 may be zero.

7.2 Neither Party will be liable to the other in connection with the provision or use of services offered under this Agreement for indirect, incidental, consequential, reliance or special damages, including (without limitation) damages for lost profits (collectively, "Consequential Damages"), regardless of the form of action, whether in contract, warranty, strict liability, or tort, including, without limitation, negligence of any kind, even if the other Party has been advised of the possibility of such damages; provided, that the foregoing will not limit a Party's obligation under Section 6.

7.3 The Parties agree that neither Party will be liable to the customers of the other Party in

connection with its provision of services to the other Party under this Agreement. Nothing in this Agreement is deemed to create a third party beneficiary relationship between the Party providing the service and the customers of the Party purchasing the service. In the event of a dispute involving both Parties with a customer of one Party, both Parties will assert the applicability of any limitations on liability to customers that may be contained in either Party's applicable Tariff(s).

8.0 TERM AND TERMINATION

This Agreement is effective on the date on which this Agreement is approved by the Commission and continues in force and effect for two (2) years ("Initial Term"). The Agreement will continue in full force and effect thereafter unless and until terminated as provided herein. Either Party may terminate this Agreement by providing written notice of termination to the other Party, such written notice to be provided at least ninety (90) days in advance of the date of termination. Upon termination of this Agreement, if either Party requests negotiation of a replacement Agreement, this Agreement will continue in full force and effect until such replacement Agreement is effective.

9.0 COMPLIANCE WITH LAWS AND REGULATIONS

9.1 Each Party will comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance under this Agreement. Each Party will promptly notify the other Party in writing of any governmental action that suspends, cancels, withdraws, limits, or otherwise materially affects its ability to perform its obligations hereunder.

9.2 Notwithstanding the mutual commitment contained in this Agreement, the Parties nevertheless enter into this Agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum addressing any matters, including matters related specifically to this Agreement or other types of arrangements prescribed in this Agreement. If the Commission rejects this Agreement in whole or in part, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification of the rejected portion(s). Further, this Agreement is subject to change, modification, or cancellation as may be required by a regulatory authority or court in the exercise of its lawful jurisdiction.

9.3 The Parties agree that it is in their mutual interest to seek approval of this Agreement, and the Parties will voluntarily file this Agreement with the Commission. The filing of this Agreement does not create obligations for either Party under the Act that do not otherwise apply.

10.0 SEVERABILITY

If any provision of this Agreement is held by a court or regulatory agency of competent jurisdiction to be unenforceable, the rest of the Agreement remains in full force and effect and is not affected unless removal of that provision results in a material change to this Agreement. If a material change as described in this paragraph occurs as a result of action by a court or regulatory agency, the Parties will negotiate in good faith for replacement language that does not materially alter the economic effect of this Agreement on either Party. If replacement language cannot be agreed upon within a reasonable period, either Party may terminate this Agreement without penalty or liability for such termination upon written notice to the other Party in accordance with Section 8.0.

11.0 MISCELLANEOUS

11.1 AUTHORIZATION

11.1.1 SCRTC is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Kentucky and has full power and authority to execute and deliver this Agreement and to perform the obligations hereunder.

11.1.2 CLEC is a limited liability company authorized, validly existing and in good standing under the laws of the Commonwealth of Kentucky and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

11.2 DISCLAIMER OF AGENCY; NO THIRD PARTY BENEFICIARIES; INDEPENDENT CONTRACTOR

Neither this Agreement, nor any actions taken by either Party, in compliance with this Agreement, creates an agency or joint venture relationship between the Parties, or any relationship. Neither this Agreement, nor any actions taken by either Party in compliance with this Agreement, creates an agency, or any other type of relationship or third party liability between the Parties or between a Party and the customers of the other Party. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein, express or implied, creates or may be construed to create any third-party beneficiary rights hereunder. Nothing in this Agreement makes a Party a legal representative or agent of the other Party, nor does a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, nothing contained herein requires a Party to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

11.3 FORCE MAJEURE

Neither Party is responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: adverse weather conditions, fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any government or legal body; or labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts; or delays caused by the other Party or by other service or equipment vendors; or any other circumstances beyond the Party's reasonable control. In such event, the affected Party, upon giving prompt notice to the other Party, is excused from such performance on a day-to-day basis, and the other Party is likewise excused from performance of its obligations on a day-to-day basis, to the extent such inference relates to the Party's performance obligations. The affected Party shall use its best efforts to avoid or remove the cause(s) of non-performance, and both Parties will proceed to perform with dispatch once the cause(s) are removed or cease.

11.4 TREATMENT OF PROPRIETARY AND CONFIDENTIAL INFORMATION

11.4.1 Both Parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including trade secret information, including but not limited to, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data, call detail records and like information (hereinafter collectively

referred to as "Proprietary Information"). Proprietary Information remains the property of the disclosing Party. Both Parties agree that all Information must be in writing or other tangible form and clearly marked with a confidential, private or proprietary legend and that the Information will be returned to the owner within a reasonable time. Both Parties agree that the Information may be utilized by the non-disclosing Party only to the extent necessary to fulfill the terms of this Agreement or upon such terms and conditions as may be agreed upon between the Parties in writing, and for no other purpose. Both Parties agree to receive such Proprietary Information and not to disclose such Information. Both Parties agree to protect the Information received from distribution, disclosure or dissemination to anyone except employees and duly authorized agents of the Parties with a need to know such Information and which employees and agents agree to be bound by the terms of this Section. Both Parties will use the same standard of care to protect Information received as they would use to protect their own confidential and proprietary Information.

11.4.2 Notwithstanding the foregoing, both Parties agree that there will be no obligation to protect any portion of the Information that is either: 1) made publicly available by the owner of the Information or lawfully disclosed by a non-party to this Agreement; 2) lawfully obtained from any source other than the owner of the Information; 3) publicly known through no wrongful act of the receiving Party; 4) previously known to the receiving Party without an obligation to keep it confidential; 5) required to be disclosed by any governmental authority or applicable law; or 6) approved for release by written authorization of the disclosing Party.

11.4.3 The provisions of this Section shall be in addition to and not in derogation of any provisions of Applicable Law, including, but not limited to, 47 U.S.C. § 222, and are not intended to constitute a waiver by a Party of any right with regard to the use or protection of the confidentiality of CPNI provided by Applicable Law.

11.5 CHOICE OF LAW

The construction, interpretation, enforcement and performance of this Agreement will be in accordance with the laws of the Commonwealth of Kentucky without regard to its conflict of laws principles.

11.6 TAXES

11.6.1 It is the mutual understanding of the Parties to this Agreement that there are no taxes specifically applicable to the subject matter of this Agreement or to either Party as a result of entering into this Agreement that would not otherwise be applicable to each respective Party. In the event that any government authority, however, determines to the contrary that a tax or taxes are applicable to the subject matter of this Agreement, then the following provisions will apply.

11.6.2 Definitions

11.6.2.1 For purposes of this Subsection 11.6, the terms "taxes" and "fees" include but are not limited to federal, state or local sales, use, excise, gross receipts or other taxes or tax-like fees of whatever nature and however designated (including tariff surcharges and any fees, charges or other payments, contractual or otherwise, for the use of public streets or rights of way, whether designated as franchise fees or otherwise) imposed, or sought to be imposed, on or with respect to the services furnished hereunder or measured by the charges or payments thereof, excluding any taxes levied on income.

11.6.2.2 The term “Providing Party” means the Party whose rates apply to the transaction. The term “Purchasing Party” means the Party responsible for payment of compensation under this agreement with respect to a transaction. The term “Selling Party” has the same meaning as Providing Party.

11.6.3 Taxes and Fees Imposed Directly On Either Seller or Purchaser.

11.6.3.1 Taxes and fees imposed on the providing Party, which are not permitted or required to be passed on by the providing Party to its customer, will be borne and paid by the providing Party.

11.6.3.2 Taxes and fees imposed on the purchasing Party, which are not required to be collected and/or remitted by the providing Party, will be borne and paid by the purchasing Party.

11.6.4 Taxes and Fees Imposed on Purchaser But Collected And Remitted By Seller.

11.6.4.1 Taxes and fees imposed on the purchasing Party will be borne by the purchasing Party, even if the obligation to collect and/or remit such taxes or fees is placed on the providing Party.

11.6.4.2 To the extent permitted by applicable law, any such taxes and/or fees will be shown as separate items on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party remains liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.

11.6.4.3 If the purchasing Party determines that in its opinion any such taxes or fees are not payable, the providing Party will not bill such taxes or fees to the purchasing Party if the purchasing Party provides written certification, reasonably satisfactory to the providing Party, stating that it is exempt or otherwise not subject to the tax or fee, setting forth the basis therefore, and satisfying any other requirements under applicable law. If any authority seeks to collect any such tax or fee that the purchasing Party has determined and certified not to be payable, or any such tax or fee that was not billed by the providing Party, the purchasing Party may contest the same in good faith, at its own expense. In any such contest, the purchasing Party must promptly furnish the providing Party with copies of all filings in any proceeding, protest, or legal challenge, all rulings issued in connection therewith, and all correspondence between the purchasing Party and the taxing authority.

11.6.4.4 In the event that all or any portion of an amount sought to be collected must be paid in order to contest the imposition of any such tax or fee, or to avoid the existence of a lien on the assets of the providing Party during the pendency of such contest, the purchasing Party is responsible for such payment and is entitled to the benefit of any refund or recovery.

11.6.4.5 If it is ultimately determined that any additional amount of such a tax or fee is due to the imposing authority, the purchasing Party must pay such additional amount, including any interest and penalties thereon.

11.6.4.6 Notwithstanding any provision to the contrary, the purchasing Party will, at its expense, protect, defend, indemnify and hold the providing Party harmless from and against any such tax or fee, interest or penalties thereon, or other charges or payable expenses, including reasonable attorney fees, with respect thereto, which are incurred by the providing Party in connection

with any claim for or contest of any such tax or fee.

11.6.4.7 Each Party must notify the other Party in writing of any assessment, proposed assessment or other claim for any additional amount of such a tax or fee by a taxing authority; such notice to be provided, if possible, at least ten (10) days prior to the date by which a response, protest or other appeal must be filed, but in no event later than thirty (30) days after receipt of such assessment, proposed assessment or claim.

11.6.5 Taxes and Fees Imposed on Seller But Passed on to Purchaser.

11.6.5.1 Taxes and fees imposed on the providing Party, which are permitted or required to be passed on by the providing Party to its customer, will be borne by the purchasing Party.

11.6.5.2 To the extent permitted by applicable law, any such taxes and/or fees will be shown as separate items on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party will remain liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.

11.6.5.3 If the purchasing Party disagrees with the providing Party's determination as to the application or basis for any such tax or fee, the Parties will consult with respect to the imposition and billing of such tax or fee, the Parties will consult with respect to the imposition of such tax or fee. Notwithstanding the foregoing, the providing Party will retain ultimate responsibility for determining whether and to what extent any such taxes or fees are applicable, and the purchasing Party will abide by such determination and pay such taxes or fees to the providing Party. The providing Party will further retain ultimate responsibility for determining whether and how to contest the imposition of such taxes and fees; provided, however, that any such contest undertaken at the request of the purchasing Party will be at the purchasing Party's expense.

11.6.5.4 In the event that all or any portion of an amount sought to be collected must be paid in order to contest the imposition of any such tax or fee, or to avoid the existence of a lien on the assets of the providing Party during the pendency of such contest, the purchasing Party will be responsible for such payment and shall be entitled to the benefit of any refund or recovery.

11.6.5.5 If it is ultimately determined that any additional amount of such a tax or fee is due to the imposing authority, the purchasing Party will pay such additional amount, including any interest and penalties thereon.

11.6.5.6 Notwithstanding any provision to the contrary, the purchasing Party will protect indemnify and hold harmless (and defend at the purchasing Party's expense) the providing Party from and against any such tax or fee, interest or penalties thereon, or other reasonable charges or payable expenses (including reasonable attorney fees) with respect thereto, which are incurred by the providing Party in connection with any claim for or contest of any such tax or fee.

11.6.5.7 Each Party will notify the other Party in writing of any assessment, proposed assessment or other claim for any additional amount of such a tax or fee by a taxing authority; such notice to be provided, if possible, at least ten (10) days prior to the date by which a response, protest or other appeal must be filed, but in no event later than thirty (30) days after receipt of such assessment, proposed assessment or claim.

11.6.6 Mutual Cooperation. In any contest of a tax or fee by one Party, the other Party will cooperate fully by providing records, testimony and such additional information or assistance

as may reasonably be necessary to pursue the contest. Further, the other Party will be reimbursed for any reasonable and necessary out-of-pocket copying and travel expenses incurred in assisting in such contest.

11.7 BILLING AND PAYMENT; DISPUTED AMOUNTS

11.7.1 Because of the mutual benefits related to the subject matter of this Agreement, except for charges that arise pursuant to Subsection 3.4 or as may be set forth in Exhibit 2, the Parties agree that no charges will apply to the exchange of traffic pursuant to the terms of this Agreement. In the event that charges are applicable pursuant to Subsection 3.4 and/or Exhibit 2, the following terms and conditions set forth in this Section 11.7 apply.

11.7.2 The charges for any arrangement under this Agreement are to be billed monthly and payable, in immediately available U.S. funds, within thirty (30) days of the date of the bill. Are the bills rendered electronically? We can email some bills.

11.7.3 Although it is the intent of both Parties to submit timely and accurate statements of charges, failure by either Party to present statements to the other Party in a timely manner does not constitute a breach or default, or a waiver of the right to payment of the incurred charges, by the billing Party under this Agreement, and the billed Party is not entitled to dispute the billing Party's statement(s) based on such Party's failure to submit them in a timely fashion. Notwithstanding the foregoing, in no event shall the Billing Party be allowed to back bill any charge or charges more than twelve (12) months after the billing period in which the charges were incurred.

11.7.4 If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") will notify the Billing Party of the amount it disputes ("Disputed Amount") within thirty (30) days of its receipt of the invoice containing such disputed amount and include in such notice the specific details and reasons for disputing each item. The Non-Paying Party must pay the Billing Party all undisputed amounts when due.

11.7.5 If the Parties are unable to resolve the issues related to the Disputed Amounts in the normal course of business within sixty (60) days after delivery to the Billing Party of notice of the Disputed Amounts, each of the Parties will appoint a designated representative that has authority to settle the dispute and that is at a higher level of management than the persons with direct responsibility for administration of this Agreement. The designated representatives will meet as often as they reasonably deem necessary in order to discuss the dispute and negotiate in good faith in an effort to resolve such dispute. The specific format for such discussions will be left to the discretion of the designated representatives. However, all reasonable requests for relevant information made by one Party to the other Party must be honored.

11.7.6 If the Parties are unable to resolve issues related to the Disputed Amounts within thirty (30) days after the Parties' appointment of designated representatives pursuant to subsection 11.7.5, then either Party may proceed under the dispute resolution provisions of Section 11.8.

11.7.7 The Parties agree that all negotiations pursuant to this subsection 11.7 will remain confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

11.7.8 Any undisputed amounts not paid when due will accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1½ %) per month or (ii) the highest rate of interest that may be charged under applicable law.

11.8 DISPUTE RESOLUTION

Any dispute between the Parties regarding the interpretation or enforcement of this Agreement or any of its terms must be addressed in the first instance by good faith negotiation between the Parties. Should such negotiations fail to resolve the dispute in a reasonable time, either Party may initiate an action in an appropriate regulatory forum or a state or federal court of competent jurisdiction.

11.9 NOTICES

Notices given by one Party to the other Party under this Agreement must be in writing and (i) delivered personally, (ii) delivered by express delivery service, or (iii) mailed, certified mail or first class U.S. mail postage prepaid, return receipt requested to the following addresses of the Parties:

To: South Central Rural Telephone Cooperative Corporation, Inc.
Office of the General Manager
1399 Happy Valley Road
Glasgow, Kentucky 42142
Phone: 270-678-2111 / fax: 270-678-3030

To: Peerless Network of Kentucky, LLC

Scott Kell
skell@peerlessnetwork.com
312-506-0922
222 S Riverside Plaza, Suite 2730
Chicago IL 60606

With a copy:

Regulatory
regulatory@peerlessnetwork.com

or to such other address as either Party may designate by proper notice. Notices will be deemed given as of (i) the next business day when notice is sent via express delivery service or personal delivery, or (ii) three (3) days after mailing in the case of first class or certified U.S. mail.

11.10 JOINT WORK PRODUCT

This Agreement is the joint work product of the Parties and has been negotiated by the Parties and will be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences will be drawn against either Party.

11.11 NO LICENSE

11.11.1 Nothing in this Agreement may be construed as the grant of a license, either express or implied, with respect to any patent, copyright, trademark, trade name, trade secret or any other proprietary or intellectual property now or hereafter owned, controlled or licensable by either Party. Neither Party may use any patent, copyrightable materials, trademark, trade name, trade secret or other intellectual property right of the other Party except in accordance with the terms of a separate license agreement between the Parties granting such rights.

11.11.2 Neither Party has any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other Party or its customers based on or arising from any claim, demand, or proceeding by any third party alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision of any facilities by either Party under this Agreement, alone or in combination with that of the other Party, constitutes direct, vicarious or contributory infringement or inducement to infringe, misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any Party or third party. Each Party, however, will offer the other reasonable cooperation and assistance in the defense of any such claim.

11.11.3 NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, THAT THE USE BY THE PARTIES OF THE OTHER'S FACILITIES, ARRANGEMENTS, OR SERVICES PROVIDED UNDER THIS AGREEMENT WILL NOT GIVE RISE TO A CLAIM BY ANY THIRD PARTY OF INFRINGEMENT, MISUSE, OR MISAPPROPRIATION OF ANY INTELLECTUAL PROPERTY RIGHT OF SUCH THIRD PARTY.

11.12 SURVIVAL

The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement survive the termination or expiration of this Agreement.

11.13 PUBLICITY AND USE OF TRADEMARKS OR SERVICE MARKS

Neither Party nor its subcontractors or agents may use the other Party's trademarks, service marks, logos, company name or other proprietary trade dress in any advertising, press releases, publicity matters or other promotional materials without such Party's prior written consent.

11.14 NON-WAIVER

Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder may not be construed as a continuing or future waiver of such term, condition, right or privilege. The Parties recognize that SCRTC is a Rural Telephone Company and is entitled to all rights afforded Rural Telephone Companies under the Act including, but not limited to, the rights afforded SCRTC under 47 USC § 251(f).

11.15 ENTIRE AGREEMENT

This Agreement and any Exhibits, Schedules, or tariffs which are incorporated herein by this reference, sets forth the entire understanding and supersedes prior agreements between the Parties relating to the subject matter contained herein and merges all prior discussions between them, and neither Party is bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the Party to be bound thereby.

11.16 COUNTERPARTS

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

11.17 MODIFICATION, AMENDMENT, SUPPLEMENT, OR WAIVER

No modification, amendment, supplement to, or waiver of the Agreement or any of its provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties. A failure or delay of either Party to enforce any of the provisions hereof, to exercise any option which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the last date of signature on this Agreement.

South Central Rural Telephone Cooperative Corporation, Inc.

Peerless Network of Kentucky, LLC

By 

By 

Printed David R Davis

Printed Scott Kell

Title General Manager

Title EVP Operations

Date: 18 Dec 2015

Date: 12/17/2015

EXHIBIT 1

Local Service Exchange Areas between which Extended Area Service (EAS) Traffic
Is to be Exchanged Pursuant to this Agreement.

This Exhibit specifies the Local Service Exchange Areas and Extended Area Services covered pursuant to the AGREEMENT FOR THE TRANSPORT AND TERMINATION OF EXTENDED AREA SERVICE (EAS) TRAFFIC between South Central Rural Telephone Cooperative Corporation, Inc. ("SCRTC") and CLEC as follows:

I. Local Service Areas Covered by this Agreement:

SCRTC: Bonnieville, Buffalo, Canmer, Cave City, Center, Edmonton, Fountain Run, Gamaliel, Glasgow Rural, Hiseville, Horse Cave, Lucas, Magnolia, Mumfordsville, Summer Shade, Temple Hill

Potential CLEC EAS Areas: Hodgenville, Park City, Glasgow (City)

II. Extended Area Service Traffic Covered by this Agreement includes:

SCRTC Exchange	CLEC EAS Exchange
Buffalo, Magnolia	Hodgenville
Cave City, Glasgow Rural, Hiseville, Lucas	Park City
Cave City, Edmonton, Fountain Run, Gamaliel, Glasgow Rural, Hiseville, Lucas, Summer Shade, Temple Hill	Glasgow (City)

III. Designated Point(s) of Connection for the Delivery of EAS Traffic Pursuant to this Agreement:

LATA 464 – HRCVKYXA02T
LATA 462 – GLSGKYXR02T