

## **South Central Rural Telephone**

= Cooperative Corporation, Inc. =

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JUN 2 0 2008

PUBLIC SERVICE

June 19, 2008

Ms. Stephanie Stumbo Executive Director Public Service Commission 211 Sower Blvd. Frankfort, KY 40601

> Re: Interconnection Agreement between South Central Rural Telephone Cooperative Corporation, Inc. and Aero Communications, LLC

Dear Ms. Stumbo:

South Central Rural Telephone Cooperative Corporation, Inc. ("SCRTC"), on behalf of itself and Aero Communications, LLC hereby submits for approval by the Kentucky Public Service Commission (the "Commission") an original and four (4) copies of the enclosed Interconnection Agreement dated to become effective June 19, 2008 (the "Agreement"). This Agreement was reached through voluntary negotiations without 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 (the "Act").

Sections 252(e)(2) of the Act directs that a state Commission may reject an agreement reached through voluntary negotiations only if the Commission finds that:

- (1) the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or
- (2) the implementation of such agreement or portion is not consistent with the public interest, convenience and necessity.

The Parties to the Agreement respectfully submit that the Agreement provides no basis for either of these findings and, thus, request that the Commission approve the Agreement on an expedited basis. The Agreement does not discriminate against any other telecommunications carriers. The Agreement is also consistent with the public interest as identified in the pro-competitive policies of the Commission, the U.S. Congress, and the Federal Communications Commission.

Ms. Stepanie Stumbo Page 2 June 19, 2008

If you have any questions, please contact Donnie Bennett at (270) 678-8225.

Sincerely,

Max Phipps, General Manager

Enclosures

cc: Brent J. Gottshall (w/ incl)

Eileen Bodamer (w/o encl.)

# JUN 2 0 2008 PUBLIC SERVICE COMMISSION

#### **AGREEMENT**

for

### FACILITIES-BASED NETWORK INTERCONNECTION FOR EXCHANGE OF INFORMATION SERVICE PROVIDER TRAFFIC

Effective as of \_June 19, 2008

Between

Aero Communications, LLC

and

South Central Rural Telephone Cooperative Corporation, Inc.

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# AGREEMENT FOR FACILITIES-BASED NETWORK INTERCONNECTION FOR EXCHANGE OF INFORMATION SERVICE PROVIDER TRAFFIC

Pursuant to this Agreement for Facilities-Based Network Interconnection for Exchange of Information Service Provider Traffic ("Agreement"), South Central Rural Telephone Cooperative Corporation, Inc. ("SCRTC") a Kentucky corporation with offices at 1399 Happy Valley Rd., Glasgow KY 42141 and Aero Communications, LLC ("CLEC"), a Kentucky limited liability company with offices at 1301 Broadway, Paducah, KY 42001 will extend certain network arrangements to one another as specified below.

#### Recitals

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

WHEREAS, the Parties desire to interconnect their respective network facilities to provide for the exchange of ISP Traffic originated by an SCRTC Customer to a CLEC ISP Customer.

WHEREAS, the Parties are entering into this Agreement to set forth the respective obligations, terms and conditions under which they will interconnect their networks and provide services as set forth herein.

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:

#### 1.0 DEFINITIONS

As used in this Agreement, the following terms shall have the meanings specified below in this Section 1.0. Any term used in this Agreement that is not specifically defined shall have the meaning ascribed to such term in the Communications Act of 1934, as amended. If no specific meaning exists for a specific term used in this Agreement, then normal usage in the telecommunications industry shall apply.

- 1.1 "Act" means the Communications Act of 1934, as amended.
- 1.2 "Affiliate" is as defined in the Act.
- 1.3 "Central Office Switch" means a switch used to provide Telecommunications Services, including, but not limited to:
- (a) "End Office Switches" which are used to terminate lines from individual stations for the purpose of interconnection to each other and to trunks; and
- (b) "Tandem Office Switches" which are used to connect and switch trunk circuits between and among other Central Office Switches. A Central Office Switch may also be employed as a combination End Office/Tandem Office Switch.
  - 1.4 "Commission" means the Kentucky Public Service Commission.

- 1.5 "Common Channel Interoffice Signaling" or "CCIS" means the signaling system, developed for use between switching systems with stored-program control, in which all of the signaling information for one or more groups of trunks is transmitted over a dedicated high-speed data link rather than on a per-trunk basis. Unless otherwise agreed by the Parties, the CCIS used by the Parties shall be Signaling System Seven ("SS7") protocol.
- 1.6 "Customer" means a residential or business user of Telecommunications Services that is provided by either of the Parties.
  - 1.7 "DS1" is a digital signal rate of 1.544 Mbps (MEGA Bits Per Second).
  - 1.8 "DS3" is a digital signal rate of 44.736 Mbps.
  - 1.9 "FCC" means the Federal Communications Commission.
  - 1.10 "Information Service" is as defined in the Act.
- 1.11 "Information Service Provider" or "ISP" is any entity, including but not limited to an Internet service provider that provides information services.
- 1.12 "ISP Traffic" means the one-way origination and exchange of traffic between SCRTC and CLEC that occurs when an SCRTC Customer originates a call to a CLEC ISP Customer.
- 1.13 "Interconnection" means the linking of the CLEC and SCRTC networks for the exchange of traffic.
  - 1.14 "Local Exchange Carrier" or "LEC" is as defined in the Act.
- 1.15 "Local Service Exchange Area" is a specific geographic service area to which NPA-NXXs are assigned and a Party offers Telecommunications Services to its Customers.
- 1.16 "Point of Connection," or "POC" mean 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 ISP Traffic.
- 1.17 "NPA-NXX" means a numbering plan area code (NPA) and valid three-digit code within that area code which appears as the first three digits of a seven digit telephone number (NXX) with the exception of the special 500, 600, 700, 800, and 900 codes and other similar special codes which may come into common usage in the future.
- 1.18 "Party" means either SCRTC or CLEC, and "Parties" means SCRTC and CLEC.
  - 1.19 "Telecommunications" is as defined in the Act.
  - 1.20 "Telecommunications Carrier" is as defined in the Act.

1.21 "Telecommunications Service" is as defined in the Act.

#### 2.0 INTERPRETATION AND CONSTRUCTION

- 2.1 All references to Sections, Exhibits, Appendices, and Schedules shall be deemed to be references to Sections of, and Exhibits, Appendices, and Schedules to, this Agreement unless the context shall otherwise require. Unless the context shall otherwise require, any reference to any agreement, other instrument (including CLEC, SCRTC or other third party offerings, guides or practices), statute, regulation, rule or tariff is for convenience of reference only and is not intended to be a part of or to affect the meaning of such referenced materials 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 This Agreement is limited to the provision of delivery of services defined herein. Other services may be purchased by CLEC pursuant to applicable tariff. In such case, the terms of the applicable tariff will apply.

#### 3.0 SCOPE

- 3.1 This Agreement sets forth the terms and conditions under which the Parties agree to interconnect their networks and exchange ISP Traffic.
- 3.2 This Agreement applies only to the exchange of ISP Traffic between SCRTC and CLEC when an SCRTC Customer originates a call to an ISP Customer served by CLEC.
- 3.3 This Agreement applies only to the exchange of ISP Traffic over the Parties' network facilities (which may include facilities leased from third-parties) that are interconnected at a POC located at either the boundary of, or within, an SCRTC Local Service Exchange Area identified in Appendix 1.
- 3.4 Both Parties agree to exchange only ISP Traffic within the scope of this Agreement at the POC location(s) as specified in Appendix 1.
- 3.5 This Agreement is not applicable to traffic originated, terminated, or carried on the networks of third-parties who are not Parties to this Agreement, including but not limited to any traffic originated or terminated by users of Commercial Mobile Radio Services. Neither Party shall provide an intermediary or transit traffic function for the other Party's connection of its Customers 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. Neither Party shall provide an intermediary or transit function for the connection of the end users of a third party Telecommunications Carrier to the Customers of the other Party without the consent of all parties and without the establishment of mutually agreeable terms and conditions governing the provision of the intermediary function. This Agreement does not obligate either Party to utilize any intermediary or transit traffic functions of the other Party.
- 3.6. Nothing in this Agreement is intended to affect the obligations of the Parties with respect to the exchange of traffic not the subject of this Agreement.

#### 4.0 SERVICE AGREEMENT

#### 4.1 Methods of Interconnection

- 4.1.1 The Parties agree to interconnect their respective networks at the POC(s) identified in Appendix 1. With respect to each POC that is established, SCRTC shall deliver to such POC all ISP Traffic subject to this Agreement that originates within the SCRTC exchanges defined in Appendix 1. Each Party shall be responsible for provisioning facilities to the agreed-to POC(s) in accordance with the following options:
- a) Direct Network Interconnection. A POC at a point on the incumbent network of SCRTC at which the Parties deploy a dedicated, directly connected facility for the exchange of ISP Traffic;
- b) Indirect Network Interconnection. A POC established pursuant to Section 4.5 of this Agreement.
- 4.1.2 CLEC agrees to deploy NPA/NXXs within Local Service Exchange Areas consistent with the LERG, Commission approved extended area service ("EAS") designations and industry standards. SCRTC Local Service Exchange Areas and the Local Service Exchange Areas of other LECs with which the end users in the originating SCRTC location have non-optional, unlimited, flat-rated EAS calling are set forth in SCRTC's applicable intrastate local service tariff.
- 4.1.3 The Parties agree that the ISP Traffic subject to this Agreement is limited to ISP Traffic from an SCRTC Customer to a CLEC NPA/NXX assigned to either an SCRTC Local Service Exchange Area or to the Local Service Exchange Area of another LEC with which end users in the originating SCRTC location have non-optional, unlimited, flat rated EAS calling. SCRTC agrees to provide its Customers local dialing/non-toll calling treatment regarding calls to such CLEC NPA/NXXs.
- 4.1.4 The Parties will cooperate fully in identifying ISP traffic originated by SCRTC Customers to ISP Customers served by CLEC to insure compliance with this Agreement.

#### 4.2 Treatment of One-Way Originated ISP Traffic

SCRTC asserts that the network treatment of traffic directed to ISPs is unresolved and the subject of industry wide controversy. SCRTC further asserts that the long-term resolution of issues related to the exchange of traffic involving an ISP will affect both Parties and may necessitate modification to this Agreement. In recognition of these factors, SCRTC agrees to exchange ISP Traffic in the manner described in this Agreement subject to amendment upon written agreement of the Parties.

#### 4.3 Signaling

The Parties shall interconnect their SS7 Common Channel Signaling ("CCS") networks either directly or through third parties. The Parties shall exchange all appropriate CCS messages including Transaction Capability User Part ("TCAP") messages that are necessary to provide call management features if such functionality is deployed in both Parties' networks on an interexchange basis. The Parties shall set

message screening parameters so as to accept messages from any switching systems destined to any signaling point in the CCS network with which the Parties have a legitimate signaling relation. The Parties further agree to exchange and load point code information in a reasonable and timely manner in accordance with standard industry practices. Neither Party will bill the other Party for exchange of any CCS messages.

#### 4.4 Network Maintenance and Trunk Provisioning

- 4.4.1 Each Party shall make available to the other at the POC(s), trunks over which the Parties can exchange ISP Traffic. All interconnecting facilities will be at a DS1 level, multiple DS1 level, or DS3 level and will conform to industry standards. Where ISP Traffic volumes are not established, one-way trunk groups will be initially established based on forecasts jointly developed by the Parties. All one-way trunk facilities will be engineered to a P.01 grade of service.
- 4.4.2 Each Party is individually responsible to provide facilities within its network to the POC(s) which are necessary for routing and transporting ISP Traffic in a mutually acceptable manner that neither destroys nor degrades the normal quality of service each Party provides to its respective Customers.
- 4.4.3 The Parties will work cooperatively to install and maintain a reliable network. The Parties will exchange relevant information to maintain reliability. In addition, the Parties will work cooperatively to apply sound network management principles to alleviate or to prevent congestion and to avoid interference with, or impairment to, the services provided pursuant to this Agreement. The Parties agree to work cooperatively to forecast trunk requirements. When necessary, the Parties agree to provide additional trunking needed to maintain the above stated blocking objective.

#### 4.5 Indirect Network Interconnection

- 4.5.1 Each Party shall be responsible for the cost and any requirements associated with the establishment (including but not limited to any applicable ordering processes and access service request processes) of indirect network interconnection trunks from its network to the POC for the delivery of ISP traffic. The POC must be within the incumbent service area of SCRTC. Each Party will be responsible for its network on its side of the POC.
- 4.5.2 The Parties acknowledge that CLEC may lease facilities from SCRTC or an alternate third party provider to achieve connection at the POC. The Parties also acknowledge that at the time of execution of this Agreement, traffic being terminated on CLEC's network is at a level that is "de minimis" (as defined in Section 4.5.4 below) and therefore may not justify direct trunking between the Parties. The Parties may agree to utilize a third party provider for indirect exchange of traffic subject as long as traffic remains "de minimis" (as defined in Section 4.5.4 below).
- 4.5.3 Therefore, in consideration of the above, CLEC shall bear all costs, if any, imposed by a third-party upon on SCRTC for the delivery of traffic to CLEC by the third party provider(s). Such costs shall include, but not be limited to, any per minute transport service provided from a third party tandem or network to the POC for the delivery of such "de minimis" (as defined in Section 4.5.4 below) ISP Traffic. Such

"de minimis" (as defined in Section 4.5.4 below) ISP Traffic shall be exchanged through existing network arrangements as identified and agreed to by the Parties.

4.5.4 The Parties shall monitor the volume of ISP Traffic exchanged between them. Should the total ISP Traffic volume between the Parties be less than one fifty thousand (50,000) minutes in a month, the volume of traffic shall be classified "de minimis." Should the total ISP Traffic volume between the Parties exceed fifty thousand (50,000) minutes in any month ("Threshold Level"), the traffic shall no longer be considered "de minimis," and CLEC shall promptly make arrangements to interconnect with SCRTC through Direct Network Interconnection. Accordingly, when the volume of ISP Traffic exceeds the Threshold Level, CLEC shall, within 30 (thirty) days of such date, submit to the provisioning carrier a completed Access Service Request ("ASR") to provision the required, dedicated trunk group connecting to the POC. If SCRTC is not the provisioning carrier, then CLEC shall, simultaneously upon submitting the ASR to the provisioning carrier, provide a copy of the ASR to SCRTC. Once such dedicated trunking has been provisioned and Direct Network Interconnection is, therefore, implemented, all future exchange of ISP Traffic shall be accomplished through Direct Network Interconnection only.

#### 4.5.5 Transit Traffic

- 1) The Parties recognize that, at this time, SCRTC is challenging the applicability of the Windstream transit tariff pertaining to the delivery of between SCRTC and carriers other than Windstream. (That dispute shall be referred to herein as the "Windstream Transit Dispute.") This Agreement by SCRTC to allow for indirect exchange of traffic (as described in this Section 4) does not in any way serve as a modification or waiver of SCRTC's legal arguments in the Windstream Transit Dispute, and the Parties agree that they are exchanging ISP Traffic as described in this Agreement solely for the convenience of CLEC.
- 2) Until such time as the Windstream Transit Dispute has been fully and finally resolved, SCRTC will bill, and CLEC shall pay, \$.01 for each minute of ISP Traffic (as determined pursuant to subsection 3, below) that SCRTC delivers to Windstream for transit and ultimate delivery to CLEC..
- 3) SCRTC will bill CLEC for the greater of: (i) the total minutes, captured in real time or estimated through a traffic study; or (ii) 5000 minutes per month.
- 4) In the event that SCRTC utilizes a traffic study to revise its monthly estimate of traffic to bill CLEC, it will notify CLEC no less than 30 days in advance of its intent to do so and will make reasonably available to CLEC the data used to substantiate the revised estimate.
- 5) In the event that SCRTC's ability to transit CLEC's traffic through a third party's network, whether it be a technical or billing issue in SCRTC's network, a dispute between the third party transit provider and SCRTC or CLEC, or a refusal or inability of the third-party transit provider to further transit CLEC's traffic, it will be CLEC's responsibility to implement Direct Network Interconnection through dedicated trunking, (as described in Section 4) within thirty (30) days.

#### 5.0 COMPENSATION ARRANGEMENTS

- 5.1 Except as described in Section 4.5 of this Agreement, neither Party has any obligation to provide compensation to the other regarding the origination or termination of ISP Traffic pursuant to this Agreement
- 5.2 Except as described in Section 4.5 of this Agreement and except to the extent CLEC utilizes SCRTC facilities as provided in Subsection 5.3, no recurring or non-recurring charges shall apply with respect to any of the terms of this Agreement.
- 5.3 Notwithstanding Subsection 5.2, to the extent CLEC utilizes SCRTC to provide leased facilities on the CLEC side of a POC, CLEC shall purchase such facilities as special access from SCRTC subject to the rates, terms, and conditions contained in SCRTC's applicable Intrastate access tariffs. Notwithstanding any provision in an SCRTC applicable intrastate access tariff to the contrary, and except as otherwise described in Section 4.5 of this Agreement, SCRTC shall not charge CLEC any non-recurring or recurring charge of any type that is premised upon a per minute of use identification, calculation or quantification. Neither Party shall charge the other for the installation or use of trunks or facilities on the Party's side of the POC used for the exchange of traffic pursuant to this Agreement.

#### 6.0 NOTICE OF CHANGES

If a Party makes a change in its network which will materially affect the interoperability of its network with the other Party, the Party making the change shall provide at least ninety (90) days advance written notice of such change to the other Party.

#### 7.0 GENERAL RESPONSIBILITIES OF THE PARTIES

- 7.1 The Parties shall jointly develop a schedule for promptly implementing all requirements of this Agreement ("Implementation Schedule"). Both SCRTC and CLEC shall use commercially reasonable efforts to comply with the Implementation Schedule.
- 7.2 The Parties shall exchange good-faith, non-binding technical descriptions and forecasts of the volume of expected ISP Traffic to be exchanged, in sufficient detail necessary to establish the interconnections required to assure traffic termination.
- 7.3 Thirty (30) days after the Effective Date and each six months during the term of this Agreement, CLEC will provide SCRTC with a rolling, six (6) calendar month, non-binding forecast of its trunking requirements for the services provided under this Agreement in the form and in such detail as agreed by the Parties. The Parties agree that each forecast provided under this Section shall be deemed "Proprietary Information".
- 7.4 Each Party is individually responsible to provide facilities within its network which are necessary for routing and transporting ISP Traffic from the other Party's network and for delivering of such traffic to the other Party's network in a mutually acceptable format and to terminate the ISP Traffic it receives in that mutually

acceptable format to the proper address on its network. Such facility shall be designed based upon the description provided under Section 4.0 above.

- 7.5 Neither Party shall use any service related to or use any of the services provided in this Agreement in any manner that prevents other persons from using their service or destroys the normal quality of service to other carriers or to either Party's Customers, and subject to notice and a reasonable opportunity of the offending Party to cure any violation, either Party may discontinue or refuse service if the other Party violates this provision.
- 7.6 The characteristics and methods of operation of any circuits, facilities or equipment of one Party connected with the services, facilities or equipment of the other Party shall not interfere with or impair service over any facilities of the other Party, its affiliated companies, or its connecting and concurring carriers involved in its services; or cause damage to the other Party's plant, impair the privacy of any communications carried over the facilities or create hazards to the employees of the other Party, its affiliated companies, or its connecting and concurring carriers or the public.
  - 7.7 Interruptions in service are provided for as follows:
- 7.7.1 If such characteristics or methods of operation are not in accordance with the preceding paragraph, either Party will notify the other Party that temporary discontinuance of the circuit, facility or equipment may be required; however, when prior notice is not practicable, either Party may forthwith temporarily discontinue the use of a circuit, facility or equipment if such action is reasonable under the circumstances. In such case of temporary discontinuance, either Party will notify the other Party immediately by telephone and provide the other Party with the opportunity to correct the condition that gave rise to the temporary discontinuance. No allowance for interruption will be applicable.
- 7.7.2 Credit for all other service interruptions will be provided pursuant to applicable tariffs governing interrupted circuit or service.
- 7.8 The physical connection of facilities and exchange of traffic may be temporarily discontinued by either Party upon 30 days' written notice to the other Party for repeated or willful violation of or refusal to comply with any of the provisions of this Agreement.
- 7.9 Each Party is solely responsible for the services it provides to its Customers.
  - 7.10 Each Party is responsible for administering NXX codes assigned to it.
- 7.11 Each Party is responsible for obtaining Local Exchange Routing Guide ("LERG") listings of CLLI codes assigned to its switches.
- 7.12 Each Party shall use the LERG published by Bellcore or its successor for obtaining routing information and shall provide all required information to Bellcore or its successors for maintaining the LERG in a timely manner.

7.13 Each Party shall be responsible for programming and updating their separate networks to recognize and route traffic to valid NXX codes including those assigned to the other Party. Neither Party shall impose any fees or charges on the other Party for such activities.

#### 8.0 EFFECTIVE DATE, TERM, AND TERMINATION

- 8.1 This Agreement shall become effective as of last date of signature of this Agreement, subject to Commission approval of this Agreement.
- 8.2 The initial term of this Agreement shall be one (1) year from the effective date and shall then automatically renew on a year-to-year basis. Upon expiration of the initial term, either Party may terminate this Agreement by providing written notice of termination to the other Party, with such written notice to be provided at least ninety (90) days in advance of the date of termination.
- 8.2 The arrangements pursuant to this Agreement shall immediately terminate upon the suspension, revocation or termination by other means of either Party's authority to provide services.
- 8.3 Either Party may terminate this Agreement in whole or in part in the event of a default by the other Party provided however, that the non-defaulting Party notifies the defaulting Party in writing of the alleged default and that the defaulting Party does not cure the alleged default within thirty (30) calendar days of receipt of written notice thereof. Default is defined to include:
  - (a) A Party's insolvency or the initiation of bankruptcy or receivership proceedings by or against the Party; or
  - (b) A Party's refusal or failure in any material respect properly to perform its obligations under this Agreement, or the violation of any of the material terms and conditions of this Agreement.

#### 9.0 CANCELLATION CHARGES

Except as otherwise provided in any applicable tariff referenced herein, no cancellation charges shall apply.

#### 10.0 INDEMNIFICATION

- 10.1 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, defamation, or for loss, damage to, or destruction of real and/or personal property, whether or not owned by others, arising 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 10.0 shall 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.
  - 10.2 The indemnification provided herein shall be conditioned upon:
    - (a) The indemnified Party shall promptly notify the indemnifying Party of any action taken against the indemnified Party relating to the indemnification.
    - (b) The indemnifying Party shall have sole authority to defend any such action, including the selection of legal counsel, and the indemnified Party may engage separate legal counsel only at its sole cost and expense.
    - (c) In no event shall the indemnifying Party settle or consent to any judgment pertaining to any such action without the prior written consent of the indemnified Party, which consent shall not be unreasonably withheld.
    - (d) The indemnified Party shall, in all cases, assert any and all provisions in its Tariffs or Customer contracts 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) The indemnified Party shall offer the indemnifying Party all reasonable cooperation and assistance in the defense of any such action.

#### 11.0 LIMITATION OF LIABILITY

11.1 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 11. 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 shall 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 shall be the injured Party's sole and exclusive remedy against the providing Party for such failures, mistakes, omissions, interruptions, delays, errors or defects.

- 11.2 Neither Party shall 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 shall not limit a Party's obligation under Section 10.
- 11.3 The Parties agree that neither Party shall 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 shall be 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 shall assert the applicability of any limitation on liability to Customers that may be contained in either Party's applicable tariff(s) or Customer contracts.

#### 12.0 COMPLIANCE WITH LAWS AND REGULATIONS

- 12.1 Each Party shall 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 shall 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.
- 12.2 The Parties understand and agree that this Agreement will be filed with the Commission. The Parties reserve the right to seek regulatory relief and otherwise seek redress from each other regarding performance and implementation of this Agreement. In the event the Commission rejects this Agreement, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification of the Agreement. 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. Notwithstanding these mutual commitments, 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.

#### 13.0 DISCLAIMER OF REPRESENTATION AND WARRANTIES

EXCEPT TO THE EXTENT OTHERWISE 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. ADDITIONALLY, NEITHER PARTY ASSUMES ANY RESPONSIBILITY WITH REGARD TO THE CORRECTNESS OF DATA OR INFORMATION SUPPLIED BY THE OTHER PARTY WHEN THIS DATA OR INFORMATION IS ACCESSED AND USED BY A THIRD-PARTY.

#### 14.0 MISCELLANEOUS

#### 14.1 Authorization

- 14.1.1 SCRTC is a corporation duly organized, validly existing and in good standing under the laws of the State of Kentucky and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to necessary regulatory approval.
- 14.1.2 CLEC is a Limited Liability Corporation duly organized, validly existing and in good standing under the laws of the State of Kentucky and has a full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to necessary regulatory approval.
- 14.2 Disclaimer of Agency; No Third Party Beneficiaries; Independent Contractor

Neither this Agreement, nor any actions taken by either Party, in compliance with this Agreement shall be deemed to create 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, shall create an agency, or any other type of relationship or third party liability between the Parties or between either 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 shall create or be construed to create any third-party beneficiary rights hereunder. Nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall 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, no Party undertakes 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.

#### 14.3 Force Majeure

Neither Party shall be 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 shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interferences (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its best efforts to avoid or remove the cause(s) of non-performance and both Parties shall proceed to perform with dispatch once the cause(s) are removed or cease.

#### 14.4 Treatment of Proprietary and Confidential Information

14.4.1 Both Parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including, 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 shall remain the property of the disclosing Party. Both Parties agree that all Proprietary Information shall be in writing or other tangible form and clearly marked with a confidential, private or proprietary legend and that the Proprietary Information will be returned to the owner within a reasonable time upon request of the disclosing Party. Both Parties agree that the Proprietary Information shall 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 Proprietary Information. Both Parties agree to protect the Proprietary Information received from distribution, disclosure or dissemination to anyone except employees and duly authorized agents of the Parties with a need to know such Proprietary 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 Proprietary Information received as they would use to protect their own confidential and proprietary information.

14.4.2 Notwithstanding the foregoing, both Parties agree that there will be no obligation to protect any portion of the Proprietary Information that is either: 1) made publicly available by the owner of the Proprietary Information or lawfully disclosed by a non-party to this Agreement; 2) lawfully obtained from any source other than the owner of the Proprietary 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.

#### 14.5 Choice of Law

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

#### 14.6 Taxes.

Neither Party is aware of any additional taxes that would be applicable to either Party as a result of the execution of this Agreement. In the event that any taxes are

assessed on either Party related to this Agreement, each Party agrees to be responsible for any such taxes assessed on it.

#### 14.7 Assignability

Either Party may assign this Agreement or any of its rights or obligations hereunder to its parent, other Affiliate, or a third party acquiring all or substantially all of the assets of the assigning Party, and no consent of the other Party shall be required provided that the assigning Party notifies the other Party at least 120 days in advance of assignment. Any other assignment, however, shall require the consent of the other Party, which consent shall not be unreasonably withheld upon the provision of at least 120 days advance notice by the assigning Party and reasonable evidence by the proposed assignee that it has the resources, ability and authority to provide satisfactory performance under this Agreement. Any assignment or delegation in violation of this subsection 14.7 shall be void and ineffective. This Agreement shall be binding on and inure to the benefit of the Parties and their respective legal successors and permitted assignee.

#### 14.8 Billing and Payment; Disputed Amounts

14.8.1 Because of the mutual consideration related to the subject matter of this Agreement, the Parties agree that, except as described in Sections 4.5 and 5 of this Agreement, no charges shall apply to the ISP Traffic exchanged pursuant to the terms of this Agreement. Other charges, if any, may be set forth pursuant to Appendix 1. In the event that charges are applicable pursuant to Appendix 1, the following terms and conditions set forth in this Section 14.8 shall apply.

#### 14.8.2 Intentionally left blank.

- 14.8.3 Although it is the intent of both Parties that any invoice will be a timely and accurate statements of submitted charges, SCRTC's failure to present statements to CLEC in a timely manner shall not constitute a breach or default, or a waiver of the right to payment of the incurred charges by SCRTC, and CLEC shall not be entitled to dispute SCRTC's statement(s) based on SCRTC's failure to submit them in a timely fashion, provided however that SCRTC shall not bill the other Party for unbilled charges incurred more than two years prior to the date of billing.
- 14.8.4 If any portion of an amount due to SCRTC is subject to a bona fide dispute between the Parties, CLEC shall within thirty (30) days of its receipt of the invoice containing such disputed amount give notice to SCRTC of the amount it disputes ("Disputed Amount") and include in such notice the specific details and reasons for disputing each item. CLEC shall pay when due all undisputed amounts to SCRTC.
- 14.8.5 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 SCRTC notice of the Disputed Amounts, each Party shall 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 shall 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 shall be honored.

14.8.6 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 14.8.5, then either Party may file a complaint with the Commission to resolve such issues or proceed with any other remedy pursuant to law or equity.

14.8.7 The Parties agree that all negotiations pursuant to this subsection 14.8 shall remain confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

14.8.8 Any undisputed amounts not paid when due shall accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1-1/2%) per month or (ii) the highest rate of interest that may be charged under applicable law.

#### 14.9 Dispute Resolution

Any dispute between the Parties regarding the interpretation or enforcement of this Agreement or any of its terms shall 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, the Parties, by mutual agreement, can agree to arbitrate the dispute according to terms mutually agreeable to the Parties. In any event, should negotiations fail to resolve the dispute, either Party may initiate an appropriate action in any regulatory or judicial forum of competent jurisdiction.

#### 14.10 Notices.

Notices given by one Party to the other Party under this Agreement shall be in writing and shall be (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 CLEC:

Aero Communications, LLC Brian Glover 1301 Broadway Paducah, KY 42001 270-448-4247

#### To SCRTC:

South Central Rural Telephone Cooperative Corporation, Inc. SCRTC / Regulatory Matters
P.O. Box 159
1399 Happy Valley Road
Glasgow, KY 42142-0159
(270) 678-8225

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

#### 14.11 Joint Work Product.

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

#### 14.12 No License.

14.12.1 Nothing in this Agreement shall 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.

14.12.2 Neither Party shall have 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, shall offer to the other reasonable cooperation and assistance in the defense of any such claim.

14.12.3 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 SHALL NOT GIVE RISE TO A CLAIM BY ANY THIRD PARTY OF INFRINGEMENT, MISUSE, OR MISAPPROPRIATION OF ANY INTELLECTUAL PROPERTY RIGHT OF SUCH THIRD PARTY.

#### 14.13 Survival

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

#### 14.14 Entire Agreement.

This Agreement and any Appendix, which is 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 shall be 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.

#### 14.15 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 shall not be construed as a continuing or future waiver of such term, condition, right or privilege.

#### 14.16 Publicity and Use of Trademarks or Service Marks.

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

#### 14.17 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 shall remain in full force and effect and shall not be affected unless removal of that provision results, in the opinion of either Party, 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 shall negotiate in good faith for replacement language. If replacement language cannot be agreed upon within sixty (60) days, the Parties may terminate this Agreement by mutual agreement of both Parties without penalty or liability for such termination or arbitrate only such replacement language pursuant to the terms set forth in Section 14.9.

#### 14.18 Counterparts

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

#### 14.19 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 this  $\underline{6^{th}}$  day of  $\underline{June}$ , 2008.

Aero Communications, LLC	South Central Rural Telephone Cooperative Corporation, Inc.
By: 3 · C	By: Mac Day
Printed: J. Brian Glover	Printed: Max Thipps
Title: General Manages	Title: GM
Date: 6 09/2008	Date: 6-19-08

#### Appendix 1

A. Exchange Areas Served by SCRTC:

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

B. Echanges served by Aero covered by this agreement:

Hodgenville

C. POC identification

For ISP Traffic originated by SCRTC Customers and delivered to CLEC, the Parties will interconnect at V= 6783 H= 2683.

- D. Schedule of Charges
  - 1. The Parties agree that, except as described in Sections 4.5 and 5 of this Agreement, no charges shall apply for the delivery of ISP Traffic pursuant to the terms of this Agreement.
  - 2. Transport facilities may be purchased from applicable SCRTC intrastate access tariff(s).