

ESSENTIAL TERMS AND CONDITIONS**Contract No. 1305ICB** **New** _____ **Renewal** _____ **Amendment** **X**_____

Effective Date: May 25, 2005

Expiration Date: November 11, 2007 – contingent on in-service date

Renewal Options: Customer can renew this service. If Customer indicates to Verizon in writing that it desires to negotiate a new contract to continue the Services provided for herein, this Agreement shall automatically be extended for a period not to exceed 60 days from the end of the term to allow the parties to finalize a new agreement. Written notice must be provided by Customer at least 30 days prior to the end of the original termination date.

Duration of Contract: Three years

Description of Service: EDSR service provides a customer a dedicated high capacity customized network which is a ring architecture that assures survivability.

Number of Units in Ring #1 added under Amendment #3: 2 Custom Connect OC3 Nodes
168 DS1 Riders

Monthly Recurring Charge: \$38,550 (for Ring #1 and Ring #2 in the Agreement)

Non-Recurring Charge: Not Applicable

Locations: Bellevue, Redmond

Note: There is no charge to the customer for the Custom Connect OC3 Nodes or DS1 Riders noted above.

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5(a) A statement summarizing the basis of the rate or charge proposed in the contract and an explanation of the derivation of the proposed rate or charge.

This contract provides Enhanced Dedicated SONET Ring (EDSR) Service.

Nonrecurring Charges

Not applicable for Custom Connect OC3 Nodes and DS1 Riders under Amendment No. 3.

Termination Liability

Not applicable for Custom Connect OC3 Nodes and DS1 Riders under Amendment No.3
3.

Termination liability for the Agreement is as follows:

Termination charges will apply to each rate element for which Service is terminated except for month-to-month for which the one-month minimum service charge applies. If the termination occurs within the first two (2) years of a term plan, a termination charge equal to one hundred percent (100%) of the applicable monthly rate for the terminated Service multiplied by the number of months remaining in the first two years plus twenty-five percent (25%) of the monthly charges in the remainder of the plan. If the termination occurs after the first two years of a service term plan, then termination liability is equal to twenty five percent (25%) of the monthly charges for the remaining life of the term. Any such termination liability charge shall be due and payable in one lump sum within thirty (30) days of billing. If customer terminates this Agreement subsequent to the execution of this Agreement by the Parties but prior to the in-service date, Customer shall pay to Verizon all costs incurred by Verizon for contract and service preparation. Terminations charges will not apply if Customer, by new agreement or formal amendment to this Agreement, changes the term period to one longer than the three year term period specified in this Agreement.

Termination liability will not apply should Customer upgrade to another EDSR service (change to a higher capacity EDSR service) if all of the following conditions are met:

- a) A new term commitment period commences with the upgrade which will be reflected in a formal amendment to this Agreement or a new agreement;
- b) The expiration date of the new service/commitment period from (a) above must extend beyond the three year expiration date of the term period for this Agreement; and
- c) The new DSR service is provided at the same Customer locations(s) and/or Verizon CO locations(s) as the discontinued service; and
- d) Additional nodes and ports added at the time of the upgrade incur all applicable rates.

Monthly Charges

The average monthly charge is \$38,550 for Ring #1 and Ring #2 as configured under the Agreement. There is no charge to the customer for the Custom Connect OC3 Nodes and DS1 Riders added to the Agreement under Amendment No. 3.

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5 (c) A statement indicating the basis for the use of a contract rather than a filed tariff for the specific service involved.

Verizon is offering this service on a contract basis because the service is not available under tariff.

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5(b) An explanation of all cost computations involved in arriving at the derivation of the level of the rate or charge in the contract.

Cost computations and explanations required by WAC 480-80-142 are attached. They have been stamped confidential and are protected pursuant to the provisions of WAC 480-07-160.

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6. Duration of contract. All contracts shall be for a stated time period.

The service life for this contract is thirty-six (36) months. The rate elements added to the Agreement under Amendment No. 3 will be co-terminus with the Agreement.

**Amendment No. 3
To
EDSR Service Agreement**

REDACTED

This is Amendment No. 3 to the Agreement between Verizon Services Corp. on behalf of Verizon Northwest Inc., with its principal office at 1800 41st Street Everett, WA 98201 and (Customer) located at _____ and amends the Agreement for the provision of OC48 Enhanced Dedicated SONET Ring (EDSR) (the Service) which was filed with the Washington Utilities and Transportation Commission (Commission) on October 13, 2004 as Contract No 1285ICB, and made effective by Docket No. UT-041835 on November 12, 2004 (the "Agreement"). Amendment No. 1 to the Agreement was filed with the Commission on December 22, 2004 under Contract No. 1292ICB and made effective by Docket No. UT-041835 on January 22, 2005. Amendment No. 2 to the Agreement was filed with the Commission on March 16, 2005 under Contract No. 1297ICB and made effective April 15, 2005. Pursuant to terms and conditions of the Agreement, Customer and Verizon hereby agree to further amend the Agreement to clarify certain Service provisioning information as follows:

1. Section 1, Services and Quantity Commitments, of Exhibit A of the Agreement is amended to revise the respective Rate Tables of the Service Description to include the following which are included elements of Verizon's provisioning and order processing for the Initial Ring 1 Service configuration:

		Initial	3 Year MRC	Total MRC Rev
EDSR Ring #1:		Quantity	Unit Rate	Q * Unit Rate
Nodes and Transport -- 3 Year Term:				
Custom Connect OC3 Nodes at Redmond CO		2	Included	Included
DS1 Rider		168	Included	Included

2. Section 1, Service Description, Note (f) is revised to add the following clarifying points as a second paragraph:

(f) For the initial Ring 1 Service installation, Customer must cross-connect DS1 circuits utilizing Ring 1 in Verizon's Redmond central office to DS1 Rider Service elements on the OC-3 Custom Connect node Service element (up to initial capacity which is 168 DS1 riders on Ring 1). For this initial configuration of Ring 1, nonrecurring charges will not apply for OC3 Custom Connect node(s) or DS1 riders. In the event Customer wishes to order additional DS1 connections (over and above the initial 168 DS1 riders included on Ring 1 with the initial Service configuration) such additional DS1 connections may be provided, subject to Service and facility capacity, at the DS1 port Service element rates shown in the rate table. When Service and facility capacity is reached, additional Service elements and quantity (nodes or ports) requested may be accomplished by amendment to this Agreement, which would address quantity, location, provisioning information as applicable and corresponding rates and charges. Other than two OC3 Ports required to work with the two Custom Connect OC3 nodes included with this Amendment for the initial Ring 1 Service installation, channelized OC3 and OC12 port Service elements may not be ordered for or provided from EDSR nodes located in a Verizon central office node. Customer will advise Verizon when installation of Service Ports on Ring 2 is requested; channelized port Service elements may not be ordered for or provided from Verizon central office node.

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REDACTED


3. This Amendment shall be filed with the Washington Utilities and Transportation Commission (Commission). This Amendment shall become effective on either (a) the thirty-first (31st) calendar day after the date of such filing, unless the Agreement (or subsequent amendment) is rejected by the Commission prior to the expiration of thirty (30) calendar days following the date of such filing, or (b) on another date as determined by the Commission. This Agreement shall at all times be subject to such changes or modifications by the Commission as the Commission may from time to time direct in the exercise of its lawful jurisdiction.

4. The portion of the Service under the Agreement provisioned with the included OC3 Custom Connect Nodes and DSI rider elements may not be provided until this Amendment No. 3 is effective in the manner described above. This Amendment No. 3, when effective, will be co-terminous with the term period of the Agreement.

EXCEPT AS EXPRESSLY MODIFIED HEREIN, ALL ORIGINAL RATES, TERMS AND CONDITIONS OF THE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized representative below.

BY: _____
Name _____
Title _____
Date 13 May 05

VERIZON NORTHWEST INC
BY: 
Name Michael Pavicki
Title RVP Strat Accts
Date May 16, 2005