ESSENTIAL TERMS AND CONDITIONS

| Contract No. 1413 ICB | New _ Renewal _ Amendment X | _ |
|-------------------------|---|-------------------|
| Effective Date: | September 9, 2010 | |
| Expiration Date: | September 8, 2011 | |
| Renewal Options: | If the Customer indicates to The Company in writing the desires to negotiate a new contract to continue the Services provided, the Agreement shall automatically extended for a period not to exceed 60 days from the of the initial term to allow the parties to finalize a new agreement. Written notice must be provided by Custo at least 30 days prior to the end of the original terminal date. | be end omer |
| Duration of Contract: | Twelve (12) months (extension of existing contract) | |
| Description of Service: | Integrated Services Digital Network (ISDN) Primary Ra Interface (PRI) Service supports the simultaneous transmission of circuit switched voice and data over a wire facility at a standard interface. ISDN-PRI Service provides digital end-to-end access capable of supporti combination of public and private network access serv | four |
| | Direct Inward Dialing (DID) Station Number Service al an incoming call from the exchange network (not foreign exchange or WATS) to reach a specific station line with an attendant's assistance and includes central office equipment. | gn |
| Number of Units: | 120 ISDN PRI Port Only Flat Rate ISDN PRI Port Only Measured Rate – Customer curre has no ISDN PRI Measured Rate service. | ently |
| | 8 Blocks of 10,000 Direct Inward Dialing (DID) Station Numbers. Customer will transition existing quantity of 2,000 DID Station Numbers currently subscribed to un | f |

the WN U-17 to the contract.

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|---|-----|---|--|
| Minimum Quantity for ISDN PRI Service: | | 96 ISDN PRIs in the first 50 ISDN PRIs in the seco 30 ISDN PRIs in the third | and 12 months of service |
| Minimum Quantity for DID Station Number Service: | | ` , | sand (10,000) DID Station times during the term of the |
| Shortfall Liability for ISDN PRI Service: | | examine Customer's according number of ISDN PRIs in- Commitment, Customer of between the Minimum Co | act year, The Company will bunt and for each month that the service is less than the Minimum will be billed the difference ommitment and the number of a given month times \$350.00. |
| Shortfall Liability for DID Station Number Service: | | Station Numbers in-service Minimum Commitment, C | or reduces the number of DID ce to a quantity below the Customer will be required to pay one (1) block of ten thousand onbers. |
| Termination Liability for ISDN PRI Service: | | Service Period Customer termination charge equal \$350.00 multiplied by the the unexpired portion of 6 | Agreement at any time during the shall pay to The Company a to thirty five percent (35%) of number of months remaining in each Contract year multiplied by t for the affected Contract year. |
| Termination Liability for DID Station Number Service: | | during the Service Period Company a termination of of the applicable monthly | y the number of months remaining |

ESSENTIAL TERMS AND CONDITIONS

| Contract No. 1413 ICB | New | Renewal | Amendment X | |
|---------------------------|---|---|---|--|
| Monthly Recurring Charge: | | 50.00 Flat Rate PRI F 93.00 Measured Rate | | |
| | \$1,0 \$ \$ | 12.50 Block of 100 | 00 DID Station Numbers DID Station Numbers bid Station Numbers | |
| Non-Recurring Charge: | ser rect ISD Agr pro at le ISD (12) all othe | vice date of the Aurring charges for ISDN PRI installed at eement but before vided that the additional treatment of the properties of the | I PRI Service installed as or Agreement. Product specification of apply to accept the start of the third Contractional ISDN PRI remain in service for at least secutive months. If such accept in service for at least son-recurring charges that ISDN PRI added during the con-recurring charges will approximate the secutive months. | fic non- dditiona of the act Yea rvice for dditiona t twelve d to pay at were he third |
| | Sec ser | ction 5) will apply fo vices, both ISDN PR | curring Charges in the (Whor changes or additions to I and DID Station Numbers NRCs for DID Station Numb | existing . There |
| Location: | Red | dmond | | |

| Contract No. 1346CB | New | Renewal | Amendment _ | <u>_X</u> | |
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|---------------------|-----|---------|-------------|-----------|--|

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7(b) (iii)

Demonstrate, at a minimum, that the contract charges cover the company's cost of providing the service. Costs will be determined under a long-run incremental cost analysis, including as part of the incremental cost, the price charged by the offering company to other telecommunications companies for any essential function used to provide the service, or any other commission-approved cost method.

This is an extension of a customer specific agreement that provides Integrated Services Digital Network-Primary Rate Interface (ISDN-PRI) Service and Direct Inward Dialing (DID) Numbers for a term of thirty-six (36) months. This service is offered under contract because the rates for both services and the quantity of DID Numbers are not available under the tariff. The attached confidential cost documentation demonstrates the contract charges cover the company's cost of providing the service.

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| 7 (b) (iv) | | | |

Summarize the basis of the charge(s) proposed in the contract and explain the derivation of the proposed charge(s) including all cost computations involved.

The competitive nature of the services offered under this contract justify discounts beyond the term discounts offered in the tariff for similar services. The underlying costs of the individual component elements are identified in the confidential cost documentation filed with this contract.

| Contract No. 1413 ICB | New | Renewal | Amendment _ | <u>X</u> |
|-----------------------|-----|---------|-------------|----------|
| | | | | |

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7 (v) Indicate the basis for using a contract rather than a filed tariff for the specific service involved.

The services are offered on a contract basis because the rates are customer specific and not available under the tariff. Also, the quantity of Direct Inward Dialing (DID) Station Numbers is not available under the tariff.

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| | | | |

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(2) Duration of contract. All contracts shall be for a stated time period.

The term for this contract is twelve (12) months.