

ESSENTIAL TERMS AND CONDITIONS

Contract No. 1334ICB New _____ Renewal X Amendment _____

Effective Date: February 16, 2007

Expiration Date: February 15, 2010

Duration of Contract: Thirty-six (36) months

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

Description of Service: CentraNet® Service provides local exchange access, interexchange access, intrasystem communication and features.

Termination Charges: If Customer cancels this Agreement in whole or in part or terminates any Services prior to the expiration of the Service Period, Customer shall pay to Verizon a termination charge equal to twenty-five (25%) of the applicable monthly rate for the terminated Service multiplied by the number of months remaining in the unexpired portion of the Service period. 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. Termination charge will not apply if an exception contained in Verizon's applicable tariff applies.

Number of Units: 374 Analog CentraNet Access Lines with Feature Package 3000. Network Access Registers will be pursuant to tariff.

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Minimum Quantity:

Customer must maintain a minimum quantity of two hundred and one (201) Analog CentraNet Lines in service at all times during the Service period. In the event that Customer does not terminate this Agreement in its entirety but rather reduces the number of CentraNet Lines in service to a quantity below the stated minimum at any point in the Service Period, Verizon shall notify Customer within a reasonable amount of time of first becoming aware of such reduction. Verizon will thereafter negotiate in good faith with Customer to memorialize a new agreement, mutually agreed upon by the parties, to reflect a lower minimum commitment and new rate structure. Customer will continue to remain liable for payment of the minimum number of lines stated in the agreement until such new agreement is fully executed by the parties and becomes effective as required by applicable laws and Commission rules.

Monthly Recurring Charge:

\$10.50 per Analog CentraNet Access Line with Feature Package 3000.

In the event Customer wishes to purchase another feature package, such service will be provided pursuant to Verizon's applicable tariff rates, terms and conditions. There will be no offset or credit in the Monthly Unit Rate if the Customer elects to subscribe to a different feature package.

Customer will be billed, on a per line basis, the prevailing federally mandated Subscribe Line Charge pursuant to the Verizon Telephone Companies Tariff FCC No. 16. Customer will be provided a Subscriber Line Credit pursuant to Verizon Northwest Inc. Tariff WN U-17, Section 11 at the prevailing credit amount associated with the applicable line size category.

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Additional Quantities: Customer may purchase additional quantities of Service at the rates and charges provided in the contract using Verizon's established ordering procedures, provided that the locations are within established Verizon in-franchise serving areas in the State of Washington where the Service is technically and commercially available. Additional quantities purchased shall be subject to the terms and conditions of this Agreement, including applicable minimum commitments and termination liability charges.

Non-Recurring Charge(s): There are no nonrecurring charges for Customer's existing service. New service added during the term of this Agreement will be charged applicable tariff nonrecurring charges found in Verizon's WN U-17 Tariff, Sections 5 and 11.

Location: Ferndale

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7(b)(iv) A statement summarizing the basis of the rate or charge proposed in the contact and an explanation of the derivation of the proposed rate or charge.

Cost computations and explanations required by WAC 480-80-142 are attached. This documentation has been stamped confidential and is protected pursuant to WAC 480-07-160 for commercial reasons.

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7 (b) (v) Indicate the basis for using a contract rather than a filed tariff for the specific service involved. If the basis for using a contract is the availability of an alternative service provider, identify that provider.

Service is provided under a contract because the bundled station line and feature package rate is not available under the tariff.

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

The term shall run for thirty-six (36) months.