

Qwest Corporation

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Mark S. Reynolds Assistant Vice President Public Policy & Regulatory Affairs

March 1, 2011

Mr. David Danner, Executive Director and Secretary Washington Utilities and Transportation Commission P.O. Box 47250 Olympia, Washington 98504-7250

Attn: Betty Erdahl

RE: WAC 480-120-375 Affiliated Interest Agreement

Dear Mr. Danner:

In accordance with WAC 480-120-375, Qwest Corporation is filing notification of the enclosed affiliated interest agreement between Qwest Corporation (QC) and Qwest Government Services, Inc. (QGSI). This is Amendment No. 1 to the Office Lease (QC as landlord, QGSI as tenant) which was filed under Docket No. UT-101632. Also enclosed is a verified statement.

Please call Joyce McDonald on 206-345-1514 if you have any questions or require any additional information.

Very truly yours,

for Mark Reynolds

Enclosures

AMENDMENT NO. 1 TO OFFICE LEASE (QC as landlord, QGSI as tenant)

THIS AMENDMENT NO. 1 TO OFFICE LEASE (this "<u>Amendment 1</u>") is made effective as of the last date of signature below, by and between Qwest Corporation, a Colorado corporation ("<u>QC</u>") and Qwest Government Services, Inc. a Colorado corporation ("<u>QGSI</u>"). QC and QGSI are sometimes together referred to herein as the "<u>Parties</u>."

RECITALS

WHEREAS, the Parties entered into that certain OFFICE LEASE (QC as landlord, QGSI as tenant) dated as of August 19, 2010 (the "Lease"); and

WHEREAS the Parties wish to modify the terms of the Lease.

<u>AGREEMENT</u>

NOW, THEREFORE, in consideration of the foregoing, the Parties agree as follows:

- 1. <u>Definitions</u>. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Lease.
- 2. <u>Filings</u>. Effective Date of Amendment if under applicable law, this Proposal or notice thereof must be filed with a governmental entity, including but not limited to a state public utility commission, this Proposal shall not become effective with respect to any jurisdiction having such requirements until the filings have occurred.
- 3. <u>Building Locations and Rent Rates</u>. The Parties wish to modify building locations and rent rates provided in the Lease. Accordingly, <u>Exhibit A</u> is hereby deleted in its entirety and replaced with <u>Exhibit A</u> attached hereto.
- 4. <u>Confirmation of Lease</u>. Except as expressly modified by this Amendment 1, the Lease remains in full force and effect in accordance with its terms.
- 5. <u>Counterparts and Facsimile Signatures</u>. This Amendment 1 may be executed by the Parties in separate counterparts, each of which, when so executed and delivered, will be an original, but all such counterparts will together constitute one and the same Agreement. Facsimile signatures will be deemed to be and will constitute and be treated as, an original signed document or counterpart, as applicable. Qwest will provide the Agreement or any amendment thereto for execution.

By signing below, each of the Parties hereby indicates its acceptance of and agreement to the terms and conditions of this Amendment 1.

| Qwest Corporation | Qwest Government Services, Inc |
|-------------------|--------------------------------|
| By: | By: |
| Steven Swain | Patrick Halbach |
| Title: | Title: |
| VP Finance | VP Assistant Controller |
| Date: VII II | Date: 2//0/// |

EXHIBIT A

to Office Lease

between Qwest Corporation, as Landlord, and Qwest Government Services, Inc. as Tenant

Building Locations, Premises Descriptions, Furniture Charges and Monthly Rent

| | | | | Space | Furniture |
|--------|----------------------------|------------------|-------------------|----------------------|-----------|
| | | | Rate Per SqFt Per | Rate Per SqFt Per | |
| | | | | Mth | Mth |
| ADDID | Street | CITY | ST | FMV | FMV |
| 143133 | 21011 N 27TH AVE | PHOENIX | AZ | 1.30 | 0.06 |
| 220160 | 308 E PIKES PEAK AVE | COLORADO SPRINGS | CO | 1.55 | 0.06 |
| 231001 | 931 14TH ST | DENVER | co | 2.11 | 0.06 |
| 231055 | 1801 CALIFORNIA ST | DENVER | co | 2.11 | 0.06 |
| 235106 | 700 W MINERAL AVE | LITTLETON | СО | 1.50 | 0.06 |
| 235123 | 330 6TH ST | CASTLE ROCK | CO | 1.32 | 0.06 |
| E90495 | 9311 SAN PEDRO AVE | SAN ANTONIO | TX | 1.67 | 0.06 |
| M11038 | 200 S 5TH ST | MINNEAPOLIS | MN | 1.50 | 0.06 |
| R00799 | 8021 SW CAPITOL HILL RD | DODTI AND | 0.0 | 4.50 | 0.00 |
| | | PORTLAND | OR | 1.52 | 0.06 |
| W00946 | 1600 7TH AVE | SEATTLE | WA | 2.04 | 0.06 |

VERIFIED STATEMENT OF AFFILIATED INTEREST TRANSACTION

Qwest Corporation

WAC 480-120-375 states:

Every public service company must file a verified copy, or a verified summary, if unwritten, of contracts or arrangements with affiliated interests before the effective date of the contract or arrangement. Verified copies of modifications or amendments to the contract or arrangements must be filed before the effective date of the modification or amendment. If the contract or arrangement is unwritten, then a public service company must file a verified summary of any amendment or modification. The Commission may institute an investigation and disapprove the contract or arrangement if the commission finds the public service company has failed to prove that it is reasonable and consistent with the public interest.

Joyce L. McDonald, Lead Finance/Business Analyst of Qwest Corporation certifies that the attached Amendment 1 to the Office Lease (QC as landlord, QGSI as tenant) describes the affiliate arrangement between Qwest Corporation and Qwest Government Services, Inc.

Joyce L. McDonald

Dated at Seattle this first day of March, 2011.