

## ESSENTIAL TERMS AND CONDITIONS

Contract No. 1385ICB New X Renewal \_\_\_ Amendment \_\_\_

Effective Date: April 24 2009

Expiration Date: April 23, 2010

Duration of Contract: Twelve months

Extension: If Customer indicates to Verizon in writing that it desires to negotiate a new contract or tariffed service arrangement to continue or replace the Services provided, the Agreement shall automatically be extended for a period not to exceed 60 days from the end of the initial Service Period to allow the parties to finalize a new agreement or to transition to a tariffed service arrangement. Notice must be provided by Customer at least 30 days prior to the end of the initial Service Period. Notice can be made by facsimile or electronic mail.

Description of Service: CentraNet analog station lines with feature Package 2000 and Network Access Registers (NARs) (1:1 ratio)

Number of Units: Minimum lines – 58

Monthly Recurring Charge: \$13.80 per line

Shortfall Charge: Termination charge applies per each line below the minimum

Non-Recurring Charge: For added lines, per tariff.

Termination Liability: Twenty-five percent (25%) of the MRC X Minimum Commitment [58].x number of months remaining in the Service Period.

Location: Various

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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.

The attached confidential cost documentation demonstrates the contract charges cover the company's cost of providing the CentraNet analog station lines with Feature Pack 2000 and the NARs.

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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 underlying costs of the individual component elements are identified in the confidential cost documentation filed with this contract. See Exhibit A to the contract for the list of services and rates subscribed to under the agreement.

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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 due to competitive market conditions and because the packaging and negotiated prices are not available under tariff.

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

The contract term is twelve (12) months.

