

## ESSENTIAL TERMS AND CONDITIONS

**Contract No. 1432 ICB**      **New**  **Renewal**  **Amendment**

**Effective Date:**                      October 28, 2011

**Expiration Date:**                      October 27, 2014 (or 36 months from in-service date)

**Duration of Contract:**                      Thirty-six (36) months

**Renewal Options:**                      At the end of the Service Period, the Customer, with sixty (60) days advance written notice to Frontier, may elect to extend the Service Period for one (1) additional year at the same rates, terms and conditions in this contract.

**Description of Service:**                      Transparent LAN Service (TLS) is a high speed data service which uses a shared fiber network to allow for the interconnection of Local Area Networks (LANs) across selected metropolitan areas. TLS delivers an interface of 10 Mbps, 100 Mbps, 1000 Mbps or 10 Gbps from the customer's LANs to the shared network. TLS creates a network with the ability to function as a shared public network. TLS protects data privacy by using specialized screening software that permits subscribers to access only their data. TLS is available in two service types: Ethernet Multipoint Service (EMS) or Ethernet Relay Service (ERS). The customer must select either (EMS) or (ERS) as the service type for each domain.

**Termination Charges:**                      If customer cancels TLS subsequent to execution, but prior to in-service date, customer shall pay Frontier for its actual incurred costs of provisioning TLS and any new associated construction costs up to the point of cancellation. Following the in-Service Date, termination charges shall apply to each circuit terminated. If the customer terminates any or all of the circuits covered by this contract before the end of the Service Period, the customer must pay a termination charge for each affected circuit equal to 25% of the MRCs for each affected circuit for the remainder of the Service Period. Any such termination charge shall be due and payable in one lump sum within thirty (30) days of billing. Customer is also responsible for all charges incurred up to the date of any TLS terminated. EVCs are not subject to termination charges.

**Number of Units:**                      2 - TLS ERS 1 Gb UNIPort & Access  
1 – 1 Gbps Ethernet Virtual Circuit (EVC)

**Monthly Recurring Charge:**                      \$1700.00 per unit - TLS ERS 1 Gb UNIPort & Access  
\$1785.00 per unit - 1 Gbps Ethernet Virtual Circuit (EVC)

**Non-Recurring Charge(s):**                      None for initial units; after 18th month, \$1300.00 for additions.

**Location:**                                      Redmond

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- 7(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.
- 7(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 attached confidential cost documentation demonstrates the contract charges cover the company's cost of providing the service. See Exhibit A to the contract document for the detailed 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 because the negotiated rates, terms and conditions 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 thirty-six (36) months. The contract term will be October 28, 2011 through October 27, 2014.