ESSENTIAL TERMS AND CONDITIONS

Contract No. 1380ICB

New X Renewal Amendment Effective Date: March 21, 2009 **Expiration Date:** March 20, 2014 Renewal Options: 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. **Duration of Contract:** Sixty (60) months Description of Service: Enhanced Dedicated SONET Ring service provides a dedicated high capacity customized network in a ring architecture, which provides survivability. The service includes the option to transport Gigabit Ethernet circuits between nodes over SONET rings. Number of Units: Two rings with five nodes each. Monthly Recurring Charge: Custom Connect OC3 central office node and DS1 rider are included in the following pricing. OC48 Nodes - \$3120 each Mileage - \$297 per airline mile BITS Clocking - \$608 per location GigE-1 port - \$230 DS1 port - \$28 DS# or STS-1 port - \$115 GigE-3 port - \$345 OC3 port - \$343 GigE-6 port - \$455 OC3c port - \$274 GigE-9 port - \$535 OC12 port - \$642 GigE-12 port - \$645 OC12c port - \$514 GigE-24 port - \$880 Non-Recurring Charge: Ports - \$535 Termination Liability: Applicable to each node and port rate element, except Bits Clocking service, nodes and term ports that are part of Ring #2, ports installed pursuant to the original agreement, and month-tomonth ports for which one-month minimum charges apply. Early

Location:

Redmond

termination charge is twenty-five percent of the monthly rate for the terminated service multiplied by the number of months remaining in the first thirty-six months on the Service Period.

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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 a new agreement that provides Enhanced Dedicated SONET Ring service for a term of sixty (60) months. 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 underlying costs of the individual component elements are identified in the confidential cost documentation filed with this contract. 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 service is 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 sixty (60) months.

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