



March 16, 2009

**BY FIRST-CLASS MAIL
AND ELECTRONIC MAIL**

Mr. Harold Grover
2850 SW Cedar Hills Blvd, Suite 50
Beaverton, OR 97005

Subject: Termination of Fiber Optic Communications System And Services Agreement

Request to negotiate partial purchase of equipment

NOTICE: This letter should not be construed as prohibiting or preventing ICS from meeting its obligations to continue to provide service under WAC § 480-120-083

Dear Mr. Grover:

Suncadia, LLC (“Suncadia”), hereby notifies Intelligent Community Services, Inc. (“ICS”), of termination of the Fiber Optic Communications System And Services Agreement entered into effective the 1st day of April, 2006, by and between Suncadia and ICS (“Agreement”). This termination is “for cause” pursuant to Section 7.3 of the Agreement. Cause was set forth in the notices of default set forth Suncadia’s letters to ICS dated September 26, 2008 and October 23, 2008. Since timely cure was not made, the Agreement became terminable without further notice. Additional cause is provided by ICS’ letters to subscribers dated March 2, 2009, stating that, “on April 2, 2009, ICS will cease providing telephone service to Suncadia customers, and any and all services provided by ICS to the Suncadia Resort will be terminated.”

Although this termination is effective immediately, Suncadia does not intend to take any action that would prevent ICS from continuing to provide services in compliance with its regulatory obligations and any short term contractual obligations to customers in the Suncadia community through April 2nd or for any mutually agreed extension of the cessation of services. Suncadia gives ICS permission to continue to use the easement granted in the Agreement and the property described in the Agreement for the network operations center (“NOC”); provided, however, that:

1. This permission is revocable at will by Suncadia without cause or advance notice;
2. This permission will be deemed automatically revoked at such time as ICS ceases provision of telephone services to Suncadia;
3. ICS' use of the easement and NOC is and shall remain non-exclusive;
4. Suncadia will begin installing new equipment for transition of services to another provider and any interference with such transition will lead to revocation; and

As a result of termination of the Agreement, the NOC building, fixtures, nodes, and any other improvements placed on the Suncadia property by ICS are now property of Suncadia.¹ Suncadia will promptly change out the locks on the NOC building and nodes, but will provide ICS with reasonable, supervised, access to the NOC and nodes for the purposes outlined above. Since some of the improvements may be needed both by ICS to meet its regulatory requirements and by Suncadia's new service provider, Suncadia requests a prompt meeting to discuss a coordinated service transition plan with ICS.

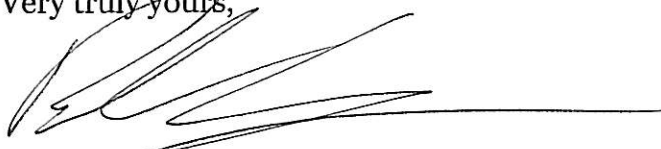
Under Section 4.10 of the Agreement, Suncadia has the right to purchase ICS's equipment and facilities at fair market value, less the cost of deferred maintenance. Suncadia is interested in purchasing some of the equipment in the NOC and requests a prompt meeting with ICS to attempt to reach agreement on which equipment constitutes fixtures and improvements that belong to Suncadia, which equipment is subject to Section 4.10 and the fair market value of such equipment. The meeting should occur within one week of the date of this letter and should also address a coordinated transition, as requested in the preceding paragraph. Since the Bank of the Cascades has a lien on all such equipment, we suggest they should be involved in these discussions as well.

Nothing contained in or omitted from this letter shall be construed as a waiver of any right or remedy that Suncadia may have under the Agreement or applicable Federal or state law.

¹ Suncadia also has a lien, under RCW Ch. 60.72 on the property of ICS.

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Very truly yours,

A handwritten signature in black ink, appearing to read 'Paul Eisenberg', with a long horizontal line extending to the right.

Paul Eisenberg
Senior Vice President
Suncadia, LLC

Cc: The Bank of the Cascades (via e-mail)
Washington Utilities and Transportation Commission (via e-mail)
Mr. Brooks E. Harlow (via e-mail)