

## ESSENTIAL TERMS AND CONDITIONS

**Contract No. 1420 ICB**      **New** \_\_\_\_\_ **Renewal**  **Amendment** \_\_\_\_\_

Effective Date:                      February 14, 2011

Expiration Date:                      February 13, 2012

Duration of Contract:                  Twelve (12) months

Renewal Options:                      If Customer indicates to Frontier in writing that it desires to negotiate a new contract or tariffed service arrangement to continue or replace the Services provided for herein, this 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. Written notice must be provided by Customer at least 30 days prior to the end of the initial Service Period. For purposes of this paragraph only, written notice may be by facsimile or electronic mail.

Description of Service:                  Special Access Lines provide the transmission facilities to a Customer Designated Location (CDL) or the facilities between a CDL and the serving wire center.

Termination Charges:                  If Customer cancels this Agreement in whole or in part or terminates any Services prior to the expiration of the Service Period, Customer shall pay to Frontier a termination charge equal to twenty-five percent (25%) of the applicable monthly rate for the terminated Service multiplied by the number of months remaining in the unexpired portion of the Service Period. Any such termination liability charge shall be due and payable in one lump sum within thirty (30) days of billing. If Customer terminates this Agreement subsequent to the execution of this Agreement by the Parties but prior to the in-service date, Customer shall pay to Frontier all costs incurred by Frontier for contract and service preparation. Termination charges will not apply if an exception contained in Frontier's applicable tariff applies.

Number of Units:                      2 DS1 Special Access Lines

Monthly Recurring Charge:              \$340.61 in total

Non-Recurring Charge(s):              Not applicable

Location:                                  Bothell, Kenmore

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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 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. The competitive nature of this service justifies additional discounting beyond the term rate discounts offered in the company's tariff for this service.

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7 (b) (v)      Indicate the basis for using a contract rather than a filed tariff for the specific service involved.

The service is offered on a contract basis because the competitive nature of this service justifies the use of competitive pricing not available under the tariff. With this pricing, Frontier is responding to the competitive marketplace.

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

The contract term is twelve (12) months.