

**INTERLOCAL COOPERATION AGREEMENT
FOR TELECOMMUNICATION SERVICES**

THIS INTERLOCAL COOPERATION AGREEMENT ("this AGREEMENT") entered into by PETRICHOR BROADBAND, LLC, a Washington interlocal limited liability company permitted by RCW 39.34.030, (hereinafter "PETRICHOR"), and SKAGITNET LLC, a Washington limited liability company comprised of the Port of Skagit County and Public Utility District No. 1 of Skagit County as members, (hereinafter "SKAGITNET").

RECITALS

WHEREAS, PETRICHOR is a Washington interlocal limited liability company consisting of the following Ports as members: Port of Bellingham, Port of Kalama, Port of Pasco, Port of Ridgefield, Port of Skagit County, and Port of Whitman County; and

WHEREAS, the Port of Whitman County is the named Manager for PETRICHOR; and

WHEREAS, PETRICHOR contracts with public and private entities for the planning, development, and operation of local and regional telecommunication facilities; and

WHEREAS, SKAGITNET owns and operates telecommunication infrastructure ("the Facilities"), within Skagit County for its own use and to provide wholesale telecommunication services within Skagit County; and

WHEREAS, the Port of Skagit County is the managing member of SKAGITNET; and

WHEREAS, this Agreement provides for certain services to be provided by PETRICHOR to SKAGITNET in exchange for fees and revenue sharing as set forth below and the mutual benefits to be derived;

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Management, Services and Expenses:

a. PETRICHOR shall provide the following services for the Facilities which are subject to the revenue sharing provisions of this Agreement:

- (1) Fiber and facility mapping, including cut sheet documentation;
- (2) One-Call management services;
- (3) Will or will not contract for locate services in accordance with standards in the industry;
- (4) Emergency restoration management in accordance with standards in the industry;
- (5) Review of construction design; and
- (6) Oversight of Network Operations Center (NOC) contracted services.

PETRICHOR may contract with third parties for the services to be provided.

b. SKAGITNET shall provide the following services for the Facilities which are subject to the revenue sharing provisions of this Agreement:

- (1) Administration of billing and collection;
- (2) Collection and remittance of applicable leasehold tax as directed by the State of Washington and franchise fees; and
- (3) Provide financial reports displaying monthly invoiced amounts by customer.

c. Expenses for the Facilities subject to the Revenue Sharing provisions of this Agreement will be allocated as follows:

- (1) Fiber and facility mapping, including cut sheet documentation will be provided by PETRICHOR;
- (2) One-call and locate services expenses shall be paid by SKAGITNET;

(3) Emergency restoration service charges and expenses shall be paid by SKAGITNET;

(4) Administration, billing and collection will be provided by SKAGITNET; and

(5) NOC contracted services will be overseen by PETRICHOR and expenses shall be paid by SKAGITNET.

2. Revenue Sharing and Fees:

All revenue derived from SKAGITNET Facilities shall belong to SKAGITNET and payment therefrom shall be as follows:

a. Commencing January 1, 2020, payment for services will be on a revenue share basis whereby PETRICHOR will receive fifteen percent (15%) of monthly revenue, or Ten Thousand and no/100ths Dollars (\$10,000.00) per year, whichever is greater, derived from the Facilities, payable within thirty (30) days of month end. If at the end of the year, the total revenue paid to PETRICHOR is less than Ten Thousand and no/100ths Dollars (\$10,000.00), SKAGITNET shall pay the difference between the revenue paid and Ten Thousand and no/100ths Dollars (\$10,000.00) within thirty (30) days.

b. The term "Revenue" as used in the Revenue Sharing provisions of this Agreement shall mean the gross amount invoiced/derived from the wholesale lease or grant of use of fiber optic lines. Non-reoccurring fees, fees for power charges, co-location fees, leasehold taxes, and franchise fees, shall not be considered Revenue for purposes of Revenue Sharing.

3. Leases and Contracts:

a. This Agreement shall apply to the wholesale lease or grant of use of SKAGITNET's Facilities.

b. Lease, contracts, and agreements, to which this Agreement applies, shall be leases, contracts, and agreements of SKAGITNET. Said leases, contracts, and agreements shall conform to and be consistent with the Master Service Agreement attached as

EXHIBIT "A," or such other agreement as mutually agreed upon by PETRICHOR and SKAGITNET.

c. No lease or contract subject to this Agreement shall extend beyond a period of twenty (20) years from the date of execution, except as expressly authorized in writing by both parties. The Revenue from any leases, contracts, or agreements made during the term hereof and subject to this Agreement that have a termination date extending beyond the termination of this Agreement shall, belong to SKAGITNET.

d. All rates, fees and charges for the use the Facilities shall be as mutually agreed upon with the goal of meeting each entity's revenue expectations. The initial rate structure is set forth in EXHIBIT "B".

e. Nothing herein shall be deemed to require SKAGITNET to enter any lease, contract, or agreement for the use of its telecommunication lines or facilities.

f. Nothing herein shall prohibit SKAGITNET from charging non-reoccurring fees for construction, relocation, or capital improvements to its Facilities, which fees shall not be considered Revenue, but will belong to SKAGITNET.

4. Taxes, Fees and Assessments: The collection and payment of all taxes, fees, and assessments shall remain the responsibility of SKAGITNET.

5. Term: The term of this Agreement shall begin January 1, 2020, and terminate on the 31st day of December 2022 (the "Initial Term"). Upon expiration of the Initial Term, this Lease shall automatically and successively renew for additional terms of one (1) year each, unless either party notifies the other in writing of its intent to terminate this Lease by giving one hundred eighty (180) days' notice prior to the end of the Initial Term, or any renewal thereof.

6. Development of Additional Facilities: It is understood and agreed that SKAGITNET may wish to add to or expand its telecommunication fiber system, and nothing herein shall be deemed or considered as a restriction or prohibition on future development. However, any subsequent Interlocal Agreements which result in the management of additional fiber not owned by SKAGITNET will require PETRICHOR's written consent.

7. Ownership on Termination: Upon termination of this Agreement and its non-renewal, all lines and facilities within SKAGITNET shall remain the sole property of SKAGITNET.

8. Relocation: In the event relocation of the Facilities which are subject to the Revenue Sharing provision of this Agreement is necessary, relocation costs and expenses shall be the sole responsibility of SKAGITNET.

9. Annual Meeting: SKAGITNET and PETRICHOR shall meet annually in the month of July at a date, time and location mutually agreeable to discuss financial reports, planning and budgeting.

IN WITNESS WHEREOF, the parties enter into this Agreement the 26th day of Feb, 2020, and the undersigned represent that he or she is authorized to sign this Agreement.

PETRICHOR BROADBAND, LLC, a Washington interlocal limited liability company:

By 
Joseph R. Poire, Manager

SKAGITNET LLC, a Washington local government-owned limited liability company

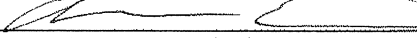
By 
Andrew Entrikin, Manager

Exhibit A

MASTER FIBER OPTIC AND FACILITIES LEASE

SKAGITNET, LLC

THIS LEASE AND AGREEMENT, EFFECTIVE as of the date it is fully executed (the "Effective Date") by and between the SKAGITNET, LLC (hereinafter referred to as the "SKAGITNET" or "OWNER"), and _____, a _____ /LLC/GP/LP, organized under the laws of the State of Washington, (hereinafter referred to as the "COMPANY").

RECITALS:

SKAGITNET owns and maintains an optical fiber system and facilities, (herein the "System") within its district for the purposes of providing wholesale telecommunication services within the district.

The COMPANY is authorized to provide telecommunication services to the general public and internet service providers (each a "Retail Customer") and will not be the end user of SKAGITNET's optical fiber and facilities leased to it.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth in this Lease, the Parties hereto do hereby covenant and agree as follows:

1. OVERVIEW:

This Lease states the general terms, covenants and conditions by which SKAGITNET will lease to the COMPANY fiber optic and facilities and provide services ("Leased Fibers"), identified and detailed in the Service Order Summary attached as Exhibit A hereto. This Lease is intended to cover any and all facilities

and services to be provided by SKAGITNET to the COMPANY. COMPANY may use SKAGITNET fiber and facilities only for authorized and lawful purposes and within the scope of this Agreement, Exhibit A and any subsequent Service Order(s).

2. PAYMENT AND USE (SERVICE ORDER SUMMARY):

The COMPANY covenants and agrees to accept and pay for, and SKAGITNET agrees to provide the facilities and fiber and services specified in each Service Order Summary, for the term specified therein. The COMPANY'S use of the System shall include the sale of telecommunication services within SKAGITNET's district. SKAGITNET reserves the right to limit the manner in which any portion of its System and facilities are used to protect the technical integrity of the System.

3. FIBER SYSTEM MAINTENANCE:

3.1 All maintenance and repair to the Leased Fiber and system facilities (other than equipment or facilities installed by the COMPANY), but not limited to, conduit, inner-duct, poles and equipment, shall be the responsibility of SKAGITNET; provided SKAGITNET shall retain the right to subcontract for maintenance and repair. Maintenance shall be performed in accordance with standard industry practices.

3.2 For routine and scheduled work affecting service on the System, SKAGITNET will make reasonable efforts to schedule maintenance that will result in as little disruption of service as reasonably possible, during off

peak hours, and at such times and dates that will provide the COMPANY with ten (10) business days' notice. SKAGITNET will provide notice to the COMPANY by the method provided in the most recent Service Order Summary, or by the method requested by the COMPANY in writing superseding the method provided in the most recent Service Order Summary.

3.3 Emergency work arising from unscheduled disruption of service or from the eminent threat of disruption of service may be conducted at any time without prior notice.

3.4 In the event of unscheduled disruption of service, or emergency, the COMPANY may utilize the emergency contact information to be provided to the COMPANY by SKAGITNET. SKAGITNET's contact information may be revised and updated from time-to-time by notice in writing to the COMPANY by letter, facsimile, or electronic transmission.

3.5 Each Party shall maintain the capability to accept process and dispatch personnel on trouble reports, without delay after the performance of appropriate tests and attempts to isolate the trouble remotely. If testing and remote trouble isolation procedures are ineffective, each Party will assist the other in efforts to isolate the trouble. If the trouble is isolated to a Party's facilities, equipment or switching equipment, such Party shall take

all necessary steps to clear the trouble and restore the services as quickly as possible.

4. TERM:

4.1 Initial Term: The initial term for this Lease will commence with the execution of this Lease and Agreement, and terminate as to the fiber and facilities and on the dates specified in each Service Order Summary(ies) unless automatically renewed as hereinafter set forth; provided, in the event, a Service Order Summary has not been signed and delivered to SKAGITNET within ninety (90) days from the execution hereof, this Lease and Agreement shall automatically terminate.

4.2 RENEWAL: This Lease shall automatically renew for successive terms of one (1) year each as to the fiber and facilities specified in each Service Order Summary unless terminated earlier, by notice in writing delivered by either party to the other at least thirty (30) days prior to the end of the term specified, including any renewal term.

4.3 The same terms, covenants and conditions as specified in this Lease shall apply to all renewal terms, unless otherwise specifically modified by the parties in writing. Upon termination of this Lease for any reason, the COMPANY's rights for use of SKAGITNET's fiber and facilities, and the obligation of SKAGITNET to provide services to the COMPANY for such portion of the fiber facilities identified in the Service Order, shall cease.

5. FEES AND PAYMENT TERMS:

5.1 All applicable fees and charges, including without limitation, power usage fees, rack fees, early disconnect charges, and other non-recurring charges, shall be based on and commenced as specified in each Service Order Summary.

5.2 Invoicing: SKAGITNET shall bill the COMPANY monthly, in advance, for all fees, leasehold excise tax and charges, provided power charges shall be added to each invoice as usage occurs. All amounts shall be due within thirty (30) days of invoice.

5.3 Fee Adjustment: Rates, fees and charges may be adjusted or modified from time-to-time as specified in each Service Order Summary.

5.4 Taxes: In addition to all of the charges the COMPANY shall pay, in addition to Leasehold Excise Tax, and all other applicable taxes, franchise, license and permit fees (hereinafter collectively referred to as "Taxes") assessed against it for the conduct of its business as a telecommunications service provider arising out of the use of the Leased Fibers during the Term of this Lease. The COMPANY shall indemnify and hold SKAGITNET harmless from any such taxes, including all penalties, interest and costs and reasonable attorney's fees, resulting from the failure to pay any such taxes or resulting from any proceeding contesting the imposition of any such

taxes. In the event of any refund, rebate, reduction or abatement to the COMPANY of any such Taxes, the COMPANY shall be entitled to receive the entire benefit of such refund, rebate, reduction or abatement.

The COMPANY shall pay all applicable leasehold excise taxes or taxes imposed in lieu of leasehold excise tax. In the event SKAGITNET is any way prohibited by law from requiring the COMPANY to pay any such tax and by reason thereof SKAGITNET does pay any such tax, then, and in that event, SKAGITNET shall be entitled to increase without regard to the limit on any Index increases allowed hereunder, the amount of the rate payable by the COMPANY to SKAGITNET by the amount of any tax so paid and by the amount of any increased tax required to be paid because of any increase in the rate which may arise pursuant to this paragraph.

5.5 Past Due Amounts: All past due amounts due pursuant to the provisions of this Lease shall bear interest at the rate of twelve percent (12%) per annum.

6. LIMITATION OF LIABILITY/INDEMNIFICATION:

Each Party undertakes and agrees to indemnify and hold harmless the other Party and all of its officers and employees, and, at the option of the indemnified Party, defend the indemnified Party, and any and all of its Boards, officers, agents, representatives, employees, affiliates, assigns and successors in interest from and against any and all suits and causes of action, claims, charges, damages,

demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever, for death, bodily injury or personal injury to any person, including the indemnifying Party's employees and agents, or damage or destruction to any property of either Party hereto, or third persons in any manner arising from the negligent acts, errors, omissions or willful misconduct incident to the performance of this contract on the part of the indemnifying Party, or the indemnifying Party's officers, agents, employees, or subcontractors of any tier. Each Party waives its immunity under the Washington Industrial Insurance Act solely in favor of the other Party and only to meet its indemnity of litigation hereunder.

Neither any owner or operator of fiber optic strands and/or their related facilities associated therewith with whom SkagitNet contracts to provide the Services hereunder ("Contractor"), nor SKAGITNET shall be liable to COMPANY for any claim of harm by COMPANY or any Retail Customer for loss of data or for injury to person or property due to a failure of the Service. COMPANY shall indemnify, save and hold SKAGITNET harmless from any such claim by a Retail Customer.

Except to the extent each Party has agreed to indemnify and hold harmless the other for its acts or failure to act as specified herein, neither Party shall be liable for any indirect, special, punitive or consequential damages arising under this Lease or from any breach or partial breach of the provisions of this Lease or arising out of any act or omission hereto, its employees, servants, contractors and/or agent.

7. FORCE MAJEURE:

Neither Party nor any Contractor shall be liable to the other for any failure of performance under this Lease due to causes beyond its control (except for the fulfillment of payment obligations as set forth herein), including, but not limited to: acts of God, fire, flood, earthquake or other catastrophes; material or facility defects or shortages or unavailability not resulting from such Party's failure to timely place orders therefore; lack of transportation; the imposition of any governmental codes, ordinances, laws, rules, regulations or restrictions; national emergencies; insurrections; riots, wars; or third party strikes, lockouts, work stoppages or other labor difficulties (collectively, "Force Majeure Events"). The COMPANY shall not pay for services not rendered during a Force Majeure Event.

8. EVENTS OF TERMINATION

8.1 Condemnation: If at any time during the Term of this Lease, all or any significant portion of the System shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain, either Party may elect to terminate this Lease upon giving the other Party sixty (60) days prior written notice. In the event this Lease is terminated in accordance with this section, both Parties shall be entitled to participate in any condemnation proceedings to seek to obtain compensation via separate awards for the economic value of their respective interest in the System.

8.2 Damage or Destruction of System: If at any time during the Term of this Lease, all or any significant portion of the System shall be damaged or destroyed beyond what SKAGITNET determines is a feasible repair, both Parties shall be entitled to seek to recover the economic value of their respective interest in the System (i) under any insurance policy carried by either Party or any third Party, or (ii) seek recovery from any third party which may be legally responsible for causing such damage or destruction.

8.3 Catastrophic Outage: If at any time during the Term of this Lease the ability of the Leased Fibers to transmit telephone, telecommunications and video services shall be interrupted or degraded below a minimum of .25 DBM (Decibels per Millivolt) attenuation per splice as established by OTDR (Optical Time Domain Reflectometer):

(i) in the case of a Force Majeure Event, for thirty (30) consecutive days, or
(ii) in the case of a non-Force Majeure Event, for five (5) consecutive days, then either Party may elect to terminate this Lease without liability upon giving thirty (30) days written notice to the other Party.

8.4 Default: Either Party may terminate this Lease upon the failure of the other Party to cure an Event of Default before the expiration of the applicable cure period, if any, as required in Section 16. In the event either Party fails to cure an Event of Default within the applicable cure period, the

aggrieved party may pursue any legal or equitable remedy available to it under applicable law.

9. ASSIGNMENT:

No assignment hereof or sublease, assignment or licensing (hereinafter collectively referred to as a "Transfer") of any rights or obligations hereunder shall be valid for any purpose without the prior written consent of SKAGITNET, which consent shall be granted in the sole discretion of SKAGITNET; provided, nothing herein shall prohibit the COMPANY from selling or offering telecommunication services over the Leased Fibers to customers in the ordinary course of business. Notwithstanding the foregoing, the COMPANY may assign this Lease without prior written consent (a) to any affiliate, successor through merger, or acquirer of substantially all of its assets which demonstrates to SKAGITNET the capacity to fulfill the requirements set forth in this Lease, or (b) if necessary to be in compliance with the rules and/or regulations of any regulatory agency, governmental agency, legislative body or court of competent jurisdiction.

The COMPANY shall remain liable for all obligations of this Lease in the event of any assignment or transfer unless: (a) SKAGITNET consents to release the COMPANY, by written instrument from such obligations, and (b) the assignee or transferee shall have affirmatively assumed in writing all of the obligations of the COMPANY.

10. WAIVER OF TERMS OR CONSENT TO BREACH:

No term or provision of this Lease shall be waived and no breach excused, unless such waiver or consent shall be in writing and signed by a duly authorized officer of the Party claimed to have waived or consented to such breach. Any consent by either Party to, or waiver of, a breach by the other Party shall not constitute a waiver of or consent to any subsequent or different breach. If either Party shall fail to enforce a breach of this Lease by the other Party, such failure to enforce shall not be considered consent to or a waiver of said breach or any subsequent breach for any purpose whatsoever.

11. FREEDOM OF ACTON:

Nothing in this Lease shall restrict SKAGITNET in the conduct of its business, and SKAGITNET may use the remainder of the System, without limitation, for any purpose whatsoever; provided, no such use unreasonably interferes with the use of the Leased Fibers by the COMPANY as granted.

12. COMPLIANCE WITH LAW:

Each Party agrees that it will perform its respective rights and obligations hereunder in accordance with all applicable local, state and federal laws, rules and regulations.

13. RELOCATION OF THE FACILITIES:

The COMPANY recognizes that, from time to time, SKAGITNET may elect or be required to relocate the System or a portion thereof. SKAGITNET shall be solely responsible for all costs incurred in relocating the System and shall use reasonable efforts to do so in a manner that will not cause any material interruption in the COMPANY's use thereof. SKAGITNET agrees to give the COMPANY at least three (3) weeks prior written notice of any elected relocation. The COMPANY shall have no claims for direct damages against SKAGITNET for disruption of service arising out of relocation.

SKAGITNET shall deliver to the COMPANY updated drawings with respect to the relocated Fibers, including Route Miles specified in the drawings, within ninety (90) days following the completion of such relocation.

Relocation pursuant to this section shall not affect the Term of the lease of the fiber and facilities affected by such relocation, provided the COMPANY may elect to terminate this lease as to the fiber and facilities affected, by notice in writing provided to SKAGITNET no later than ten (10) days following the receipt by the COMPANY of the notice from SKAGITNET regarding the planned relocation.

14. INSURANCE:

The COMPANY shall at all times during the Term of this Lease, at its own cost and expense, carry and maintain the insurance coverage listed below with

insurers authorized to do business in the state(s) of Washington. The COMPANY shall require its subcontractors and agents to maintain the same insurance:

(a) Commercial General Liability Insurance covering claims for bodily injury, death, personal injury or property damage (including loss of use) occurring or arising out of the license, use or occupancy of any premises in connection with this Lease by the COMPANY, including coverage for premises-operation, products/completed operations and contractual liability with respect to the liability assumed by the COMPANY hereunder.

The limits of insurance shall not be less than:

| | |
|-------------------------------|--------------|
| Each Occurrence | \$5,000,000 |
| General Aggregate | \$10,000,000 |
| Products/Completed Operations | \$5,000,000 |
| Personal & Advertising Injury | \$5,000,000 |

Workers' Compensation Insurance with statutory limits as required in the state(s) of operation; and providing coverage for any employee entering onto any premises in connection with this Lease, even if not required by statute. Employer's Liability or "Stop Gap" insurance with limits of not less than \$100,000 each accident.

(b) Comprehensive Automobile Liability Insurance covering the ownership, operation and maintenance of all owned, non-owned and hired motor vehicles used in connection with this Lease, with limits of at least \$1,000,000 per occurrence for bodily injury and property damage.

- (c) Any other insurance coverages specifically required of the COMPANY pursuant to the SKAGITNET's right-of-way Leases with railroads or other third parties.

During the term hereof, or during any renewal term, SKAGITNET may increase the required limits of coverage otherwise specified herein, to amounts consistent with the limits of coverage required by SKAGITNET in subsequent or pending fiber optic leases. Said increase shall take effect following written notice by SKAGITNET to the COMPANY, on the termination or renewal date of the policies then in effect.

15. DEFAULT:

If (a) the COMPANY fails to make a timely payment of the Lease Fees or any other amount it is obligated to pay, including interest due on all past due amounts, within thirty (30) days after written notice from SKAGITNET, or (b) if either Party (“Defaulting Party”) fails to perform a nonmonetary obligation and such failure shall continue for a period of thirty (30) days after the other Party shall have delivered written notice of such failure, (unless in the case of nonmonetary default such failure cannot be reasonably cured within such thirty (30) day period, and the Defaulting Party is diligently pursuing such cure), then the Defaulting Party shall be in default hereunder and the other Party at its sole option may (a) terminate this Lease upon written notice, in which event the other Party shall have no further duties or obligations hereunder or, (b) pursue all legal remedies it may have relating to such default.

If either Party shall file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any present or future federal or state bankruptcy law or under any similar federal or state law, or shall be adjudicated as bankrupt or insolvent, or shall make a general assignment for the benefit of its creditors, or shall admit in writing its inability to pay its debts generally as they become due, or if any involuntary petition proposing the adjudication of either Party as a bankrupt or its reorganization under any present or future federal or state bankruptcy law or any similar federal or state law shall be filed in any court and such petition shall not be discharged or denied within ninety (90) days after the filing thereof, or if a receiver, trustee or liquidator of either Party of all or substantially all of the assets of either Party shall be appointed in any proceeding brought by either Party, and shall consent to or acquiesce in such appointment, then the other Party, its sole option, may immediately terminate this Lease upon written notice.

16. RELATIONSHIP NOT A PARTNERSHIP OR AN AGENCY:

The relationship between the COMPANY and SKAGITNET shall not be that of partners or agents for one another and nothing contained in this Lease shall be deemed to constitute a partnership, joint venture or agency agreement between the Parties hereto. The COMPANY and SKAGITNET in performing any of their obligations hereunder shall be independent contractors or independent parties and shall discharge their contractual obligations as such and at their own risk.

17. NO THIRD-PARTY BENEFICIARIES:

This Lease is for the sole benefit of the Parties hereto and their respective permitted successors and assigns, and shall not be construed as granting rights to any person or entity, other than the Parties, including, but not limited to, any customer of the COMPANY, or imposing on either Party obligations to any person or entity other than a Party.

18. SEVERABILITY:

In the event any term, covenant or condition of this Lease, or the application of such term, covenant or condition, shall be held invalid as to any person or circumstances by any court having jurisdiction, all other terms, covenants and conditions of this Lease and their application shall not be affected thereby, but shall remain in force and effect unless a court holds that the invalid term, covenant or condition is not separable from all other terms, covenants and conditions of this Lease.

19. GOVERNING LAW/VENUE:

This Lease shall be interpreted in accordance with the laws of the State of Washington and venue for any action brought hereunder shall be in Skagit County, Washington.

20. USE OF THE SYSTEM:

20.1 The COMPANY shall have exclusive control over its provisioning of telephone, telecommunications, or other services including, without

limitation, sales and marketing, electronics maintenance and monitoring, and billing and collection.

20.2 The COMPANY hereby certifies that it will not be the “end user” of the fiber and facilities leased hereby, but is in the business of providing telecommunication services and that it is authorized to provide telecommunication services within the territory covered by the Service Order Summary and that such services can be provided on fiber optic cable systems such as that owned by SKAGITNET.

21. PLURALS:

In construction of this Lease, words used in the singular shall include the plural and the plural the singular, and or is used in the inclusive sense, in all cases where such meanings would be appropriate.

22. COUNTERPARTS:

This Lease may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the Parties hereto may execute this Lease by signing any such counterparts.

23. TITLE:

The COMPANY agrees that all right, title, and interest in the System provided by SKAGITNET hereunder shall at all times remain exclusively with SKAGITNET.

24. ENTIRE AGREEMENT:

This Lease constitutes the entire Agreement between the COMPANY and SKAGITNET with respect to the subject matter hereof; all prior agreements, representations, statements, negotiations and undertaking are hereby superseded.

25. PUBLIC RECORDS AND CONFIDENTIALITY:

25.1 The COMPANY acknowledges that information submitted to SKAGITNET is subject to the Washington Public Records Act (RCW 42.56.001 *et seq.*) and is open to public inspection to the extent required by the law.

25.2 The COMPANY may identify information that the COMPANY believes is non-disclosable by SKAGITNET, including, but not limited to, trade

secrets and financial information, submitted to SKAGITNET as confidential. The COMPANY shall prominently mark any information for which it claims confidentiality with the mark "Confidential," prior to submitting such information to SKAGITNET. SKAGITNET shall treat any information so marked as confidential except as provided below.

25.3 If SKAGITNET receives a request for disclosure of confidential information so marked, or otherwise intends to disclose said information, SKAGITNET shall provide the COMPANY with written notice of the request or intent, including a copy of the request or other basis for the intent to disclose. The COMPANY shall have five (5) working days within which to provide a written response to SKAGITNET, by statutory or other legal authority identifying the information it claims as exempt, and specify by citation to the statutory or other legal authority which is the basis for the claimed exemption. SKAGITNET shall retain the right to determine whether it is required to release or disclose the confidential information under applicable law. If, after considering the COMPANY's written response, SKAGITNET determines that it is required to release or disclose all or some portion of the information, SKAGITNET shall provide the COMPANY written notice to that effect a minimum of five (5) business days prior to releasing or disclosing the information; thereafter SKAGITNET may release or disclose said information unless prohibited by court order. The COMPANY agrees

that SKAGITNET shall not be liable for any loss or damage from disclosure of information arising out of a good faith effort to comply with the Public Records Act (Chapter 42.56 RCW) and agrees nothing herein shall be considered a waiver of the SKAGITNET's immunity thereunder.

26. NO PERSONAL LIABILITY:

Each action or claim against any Party arising under or relating to this Lease shall be made only against such Party as a corporation, and any liability relating thereto shall be enforceable only against the corporate or limited liability company assets of such Party. No Party shall seek to pierce the corporate or limited liability company veil or otherwise seek to impose any liability relating to, or arising from, this Lease against any official, shareholder, employee, affiliate, officer or director of the other Party.

27. NOTICES:

Any written notice under this Lease shall be deemed properly given if sent by registered or certified mail, postage prepared, or by nationally recognized overnight delivery service or by facsimile to the address specified below, unless otherwise provided for in this Lease, (notice relating to service and operation shall be governed as provided in section 4, herein):

If to the COMPANY:

ATTN: _____
PHONE: _____
FAX: _____

If to the SKAGITNET:

SkagitNet, LLC
15400 Airport Drive
Burlington, WA
98233
(360) 757-0011

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective duly authorized representatives.

SKAGITNET, LLC, a governmental limited liability company

By _____
Andrew Entrikin, Manager

Date: _____

[INSERT COMPANY NAME]

By _____

Its _____

Date: _____

The fiber and facilities and the fees and charges, and term of service covered by the Master Optical Fiber and Facilities Lease (herein the "Lease") between the SKAGITNET, LLC (herein the "SKAGITNET") and _____ (herein the "COMPANY"), dated the _____ day of _____, 20____, are set forth below.

1. Fiber lease facilities charges and co-location fees shall commence on the turn-up date specified.
2. One-time non-recurring fees shall be paid on signing, or at the SKAGITNET's option within thirty (30) days of invoice.
3. All termination dates are subject to extension in accordance with the automatic renewal provisions of the Master Lease.
4. Power charges shall be based on units of 5 amps each.
5. All charges are due within thirty (30) days from invoice, and all past due amounts shall bear interest at the rate of twelve percent (12%) per annum.

6. Fiber System Specifications:

Optical Fiber Specifications: Optical fiber within the System will meet the specifications set forth below and measurable by optical time domain reflectometer ("OTDR"):

| Parameter | Specifications | Units | |
|----------------------------|----------------|--------------|-----------------------------------|
| Maximum attenuation | 1310nm (A1) | .50 dB/km | |
| Maximum attenuation | 1550nm (A2) | .40 db/km | |
| Cladding diameter | 125 +-3 | nm | |
| Cutoff Wavelength | 1250 +-100 | nm | |
| Zero dispersion wavelength | 1310 +-12 | nm | |
| Maximum dispersion | (1285-1330nm) | 3.5 ps/nm km | Reference: EIA RS-455 test method |

The COMPANY shall have the right at its expense to test the Leased Fibers any time three (3) days prior to the commencement of use for compliance with the technical specifications set forth above. Upon completion of testing, the COMPANY shall either send an acceptance notice to the SKAGITNET acknowledging the acceptance of the Leased Fibers as tested, or notify the SKAGITNET that the Leased Fibers do not comply with the technical specifications. By sending an acceptance notice, the COMPANY acknowledges that the Lease Fibers listed in the notice comply with the applicable technical specifications. If the COMPANY fails to provide any notice within the three (3) days provided, then the COMPANY shall be deemed to have accepted the fibers. In the event the result of any test performed in accordance with Section 6.2 herein shows that the fiber(s) are not operating in accordance with the technical specifications, the SKAGITNET shall promptly take action that is reasonable to bring the fiber(s) into compliance and shall notify the COMPANY when the SKAGITNET believes that the fiber(s) comply with the technical specifications. The COMPANY shall have ten (10) days following such notice to retest the fiber(s) and again notify the SKAGITNET that the fiber(s) are accepted or do not comply in accordance with the procedures set forth in section 6.2. If following said notice, the SKAGITNET is unable or chooses not to bring the fiber(s) into compliance, this Lease shall then terminate as to such fiber(s). In no event shall the unavailability, incompatibility, delay in installation, or other impairment of any of the COMPANY's interconnection facilities, including COMPANY's suppliers (e.g., a local access telephone service provider or other fiber optic facilities owners and/or operators) be used as a basis for rejecting any fiber(s).

This Service Order Summary replaces the previous Service Order Summary, and contact information herein supersedes the information provided in previous Orders.

SERVICE ORDER SUMMARY

COMPANY CONTACT INFORMATION:

FOR BILLING:
 ATTN _____
 Mailing Address _____
 Phone _____
 Email _____

FOR MAINTENANCE AND OPERATIONS:
 ATTN _____
 Mailing Address _____
 Phone _____
 Email _____

| Run Description | Termination Date | Turn-up Date | Run Length (in miles) | Strands | One-Time Non-Recurring Fee | Monthly Rate per Strand/mi | Monthly Charge Per Strand | Total Monthly Strand Charges | Mo. Leasehold Tax | Total Monthly Charges |
|-----------------|------------------|--------------|-----------------------|---------|----------------------------|----------------------------|---------------------------|------------------------------|-------------------|-----------------------|
| | | | | | \$ - | \$ 25.00 | \$ - | \$ - | 12.84% | \$ - |

| Run Description | Termination Date | Turn-up Date | Strands | One-Time Non-Recurring Fee | Monthly Charge Per Strand | Total Monthly Strand Charges | Mo. Leasehold Tax | Total Monthly Charges |
|-----------------|------------------|--------------|---------|----------------------------|---------------------------|------------------------------|-------------------|-----------------------|
| | | | | \$ - | \$ 190.00 | \$ - | 12.84% | \$ - |

| Co-Location Fees by Location | Termination Date | Turn-up Date | Rack Units | Cost Per Rack Unit | Half Racks | Cost Per Half Rack | Racks | Cost Per Rack | Min. Advance | Total Monthly Charges |
|------------------------------|------------------|--------------|------------|--------------------|------------|--------------------|-------|---------------|--------------|-----------------------|
| | | | | \$ 25.00 | | \$ 250.00 | | \$ - | \$ 250.00 | \$ - |

| Power Charges by Location | Termination Date | Turn-up Date | Cost Per Amp Unit |
|---------------------------|------------------|--------------|-------------------|
| | | | |
| | | | |
| | | | |

Monthly Subtotal of Charges _____
 (Exclusive of Power Charges)

Fee Adjustment Provision: _____

The undersigned representat that he/she is duly authorized to sign on behalf of the Company:

COMPANY: SKAGITNET, LLC

By: _____

By: _____

SERVICE ORDER SUMMARY

Date: _____

Date: _____