

## INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT (the "AGREEMENT") is made and entered into effective the third day of April, 2012, between Stevens County ("COUNTY") and the Stevens County Public Utility District No. 1 ("PUD") to facilitate the implementation of a fiber optics network in the area of Colville and Kettle Falls in Stevens County, Washington (herein referred to as the "PROJECT"). The COUNTY and the PUD are sometimes referred to in this Agreement as the "PARTIES".

### RECITALS

WHEREAS, The Washington Interlocal Cooperation Act RCW 39.34 permits public entities to cooperate with one another on the basis of mutual advantage to make the most efficient use of their powers, thereby providing services and facilities in a manner that accords best with geographic, economic, population, and other factors influencing the needs and development of local communities. Under the Act, public agencies may enter into agreements with one another for joint or cooperative action; and

WHEREAS, the PARTIES are public agencies as defined in RCW 39.34.020(1) that recognize the need to provide for the PROJECT to improve the communications capability of the PARTIES and to provide for improved access to broadband data transmission and enhance community economic development in Stevens County; and

WHEREAS, the COUNTY is responsible for various local governmental-related functions, including, among others, information technology, telecommunications, public services and public administration and cooperation with other agencies regarding the same; and

WHEREAS, the COUNTY has a data center, lit fiber infrastructure, and established network services to various other governmental agencies and offers services and support. The COUNTY wishes to obtain services from the PUD for COUNTY operations, including, without limitation, to assist in network transport and related activities; and

WHEREAS, the PUD wishes to utilize the COUNTY facilities and services to provide the COUNTY with the services it wishes to obtain from the PUD and for other purposes permitted by law. The PUD is willing to provide the desired services and to operate and maintain certain of the COUNTY facilities in consideration for and in cooperation with services and access to county infrastructure as set forth in Exhibit A to this Agreement.

WHEREAS, the COUNTY is willing to provide the PUD with access to and use of the County Facilities and services for the compensation set forth in Exhibit A to this Agreement.

Now, therefore, in consideration of the mutual promises and covenants contained herein, the parties hereby agree as follows:

### AGREEMENT

#### 1. PURPOSE AND SCOPE

The purpose and scope of this Agreement is to specify the terms and conditions under which the COUNTY and the PUD will undertake the PROJECT. The locations, equipment, and other details are further described in Exhibit A to this Agreement.

### 1.1 STEVENS COUNTY'S OBLIGATIONS

The COUNTY hereby agrees to provide the PUD access to and use of County Facilities specified in Exhibit A for any lawful purpose and for the compensation set forth in the Exhibit A. Such access and use may, at the PUD's sole discretion, include installation and operation of PUD telecommunications facilities in the Facilities.

### 1.2 PUD'S OBLIGATIONS

The PUD agrees to operate and maintain the Facilities and services as set forth in Exhibit A for the compensation set forth in Exhibit A to this Agreement. The PUD agrees to maintain necessary permits and authorities as required after initial permits and authorities expire.

### 1.3 PROPERTY OWNERSHIP AND DISPOSITION

The PARTIES shall retain their respective ownership of all of their properties. This Agreement does not contemplate joint ownership of property and, therefore, does not contain provisions regarding disposition of property owned by either Party.

## 2. TERM

The initial term of the Agreement shall be for a period of five (5) years from and after the Effective Date. Either Party shall have the option to renew this Agreement for an additional twelve (12) months following the initial term by giving written notice of its election to do so. Such notification shall be in writing and delivered to the other Party at least sixty (60) days prior to the expiration of the initial term.

1. TERMINATION DUE TO CHANGE IN FUNDING. If the funds upon which either Party relied to establish this Agreement are withdrawn, reduced, or limited, or if additional or modified conditions are placed on such funding, either Party may terminate this Agreement by providing at least thirty (30) calendar days written notice to the other Party. The termination shall be effective on the date specified in the notice of termination.

Either party may terminate this Agreement by providing thirty (30) calendar days written notice sent by First Class mail to the addresses listed in the parties section. If either Party fails to comply with the terms and conditions of this Agreement, the other Party may pursue such remedies as are legally available, including, but not limited to, the immediate termination of this Agreement. Exhibits will survive termination of the Agreement.

## 3. INSPECTION

Prior to use, each Party, at its sole cost and expense, shall diligently perform and complete such inspection and/or testing of the County Facilities as it deems necessary or desirable. Each Party will provide written notification to the other that it has completed its inspection of the County Facilities and determined such facilities to be acceptable.

#### 4. AUTHORIZATION AND LIMITATIONS ON USE

4.3 Noninterference/Hazardous Materials. Except as expressly authorized by applicable laws or this Agreement, each Party covenants and agrees:

4.3.1 It shall not interfere in any manner with the other Party's operations, communications equipment, or other facilities, including easements and rights-of-way.

4.3.2 It shall not do or permit anything to be done in, on or about the County Facilities, the other's property or premises, if any, nor bring or keep or permit to be brought or kept therein, any hazardous materials.

4.3.3 It shall not do or permit anything to be done within the County Facilities' public right-of-way, if any, or permit that which will in any way obstruct or interfere with the rights of any person or entity located within the public right-of-way, or injure them, or use or allow the public right-of-way to be used for any unlawful purpose.

4.3.4 It shall not commit, cause, maintain or permit nor suffer, or allow to be committed, caused, maintained or permitted, any legal waste within the public right-of-way, nor any public or private nuisance, nor any other act or thing which may disturb the quiet enjoyment of any other person or entity lawfully using the public right-of-way or the fiber optic facilities.

4.4 Compliance with Laws. Each Party shall comply with all applicable laws and regulations in the exercise and performance of its rights and obligations under this Agreement.

#### 5. FIBER OPTIC EQUIPMENT AND FACILITIES

5.1 No Representations or Warranties. EACH PARTY MAKES NO REPRESENTATIONS, WARRANTIES, COVENANTS OR ASSURANCES: (1) WITH RESPECT TO THE DESIGN, CONSTRUCTION, DURABILITY, SUITABILITY OR RELIABILITY OF THE EQUIPMENT OR FACILITIES, OR ANY PART THEREOF, WHETHER EXPRESS OR IMPLIED, AND EACH PARTY SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY AND ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (2) WITH RESPECT TO THE NATURE OR ACCURACY OF THE DESCRIPTION, LOCATION OR MEASUREMENT OF THE EQUIPMENT OR FACILITIES, OR ANY PART THEREOF; (4) WITH RESPECT TO INTERRUPTION OR CONTINUATION OF THE FACILITIES AND/OR OTHER SERVICES.

5.2 Unauthorized Access/Breach. Except as provided in this Agreement, each Party is prohibited from accessing, directly or indirectly, the other Party's equipment or facilities, or any part thereof. Any unauthorized access by either Party of the other Party's equipment or facilities, or any part thereof, shall constitute a material breach of this Agreement and a default by the unauthorized Party under Section 13.1 of this Agreement.

5.3 Approval of Design and Interconnection Specifications. Each Party shall provide, as reasonably requested, information relating to the proposed design and/or installation specifications prior to modifying or making any connection to the County Facilities or associated equipment or facilities.

5.4 Installation. Both Parties shall mutually agree to a work schedule during which the interconnections for the fiber optic equipment or facilities can be made. Each Party shall timely complete all such work within the agreed upon schedule.

5.5 Cooperation and Coordination. Each Party shall cooperate with the other concerning the timing, method or placement of its construction, installation and testing activities.

## 6. ALTERATIONS, MAINTENANCE AND REPAIRS

6.1 Scheduling/Notice. Except as set forth in Section 7.2, each Party, at its sole cost and expense, may schedule and perform or cause to be performed scheduled alterations, maintenance and repairs on its own fiber optic equipment or facilities, or any part thereof, at the times and in the manner as may be established by the respective owner. The Party scheduling work shall provide two weeks prior written notice to other Party identifying the time, location, and nature of each scheduled alteration or maintenance and repair job for performance thereof which reasonably presents a substantial risk of damage to the other Party's property or creates a substantial likelihood of an interruption of fiber optic equipment or facilities. If fiber optic equipment or facilities include redundant fiber pathways, work will be scheduled to include no more than one pathway at any given time.

6.1.1 Each Party shall furnish on a continuing basis the current name, title, telephone number, and personal communications device number (including facsimile transmission number, cellular telephone number and paging device number), if any, of any representative who shall be kept informed of maintenance schedules. Currently, the designated points of contact are as follows:

### COUNTY

Name: John Balsler  
Title: Network Administrator  
Telephone Number: (509) 684-7505  
Cell Number: (509) 690-2939  
Email: ISTechSupport@co.stevens.wa.us

### PUD

Name: Kelly Terry  
Title: IT Administrator  
Telephone Number: (509) 233-2534  
Cell Number: (509) 680-0843  
Email: kerry@stevenspud.org

## 6.2 Maintenance, Repair, and Restoration of the Cable

### 6.2.1 Maintenance of Fiber Optic Equipment or Facilities.

Subject to the provisions of Sections 7.2 and 14, each Party during the term of this Agreement, shall be responsible for all physical maintenance of its own fiber optic cable and equipment and keep the cable and equipment in good working order and in a safe condition, in conformity with all applicable standards, laws and regulations.

### 6.2.2 Restoration Priorities and General Requirements.

Each Party's obligation to maintain and repair its own fiber optic cable and equipment, and any activity incidental thereto, shall not unreasonably conflict with, the other Party's rightful use and operation of its facilities and equipment.

Timely restoration is dependent upon the timely coordination and cooperation between both Parties. Each Party will provide the other, in writing, with its emergency contact/call-out list as soon as practicable following the effective date of this Agreement.

#### Restoration/Repairs of the Cable.

Subject to the provisions of Sections 7.2 and 14, each Party will mobilize crews with qualifications required to complete restoration or repairs within one hour after receiving notification from the other Party of a confirmed fiber optic equipment or facilities related interruption in service, failure, disrepair, impairment or other need for repair or restoration. Each Party will use commercially reasonable efforts to achieve such necessary repair or restoration within four hours after receipt of such notice. In the event service is interrupted by a Force Majeure event as described in 7.1, the owner of the fiber optic facilities or equipment will undertake such restoration or repairs as soon as practicable following cessation of the Force Majeure event.

If the restoring Party is unable to begin to provide restoration within four hours after notification of interruption in service, failure, disrepair, impairment, or other need for repair, the restoring Party shall provide the other Party or its approved subcontractor/mutual-aid provider access to the fiber optic facilities, so that necessary repairs to the cable can be made, provided such repairs are made in accordance with all current industry technical and safety standards.

Nonscheduled Repairs/Obligation. Either Party, at its sole cost and expense, shall schedule alterations, maintenance and repairs on its own fiber optic equipment or facilities, or any part thereof, provided, however, if nonscheduled alterations, maintenance and repairs, including the replacement of any part of the fiber optic equipment or facilities, are required to be performed due to the fault of the other Party, the Party at fault shall reimburse the other Party, upon demand, for the costs of such nonscheduled alterations, maintenance and repairs incurred. The obligation for reimbursement shall survive the termination of this Agreement.

6.25 The obligations set forth in Section 7 are expressly subject to the limitation of liability provisions contained in Section 14.

6.2.6 Property Maintenance/Responsibility. Each Party, at its sole cost and expense, shall be responsible for maintaining its own fiber optic facilities and equipment. Except as otherwise expressly provided in this Agreement, the Parties shall have no right to alter, maintain or repair any portion of the other's fiber optic equipment or facilities, or any part thereof.

## 7. Force Majeure

7.1 As used in this Agreement, the term "Force Majeure" means acts of God (including but not limited to, earthquakes, fires, floods, windstorms, landslides, and ice storms); strikes, lockouts, or other labor disputes; acts of public enemy; acts of vandalism, wars, riots, and insurrection; epidemics; civil disturbances; explosions; train derailments; breakdown or failure of machinery or facilities (excluding the cable and cable accessories); accidents to machinery or equipment (excluding the cable and cable accessories), and delay in delivery of equipment, to

the extent such occurrences are beyond the reasonable control of the Parties; and any other event, cause, or condition beyond the Party's reasonable control, which, by the exercise of reasonable diligence, prevents the Party claiming Force Majeure from performing its obligations under this Agreement.

7.2 If either Party is unable to carry out its obligations under this agreement as a result of an event, cause, or condition of Force Majeure, the Party claiming Force Majeure shall give notice and full particulars of such Force Majeure in writing to the other Party within five (5) calendar days of the beginning of the occurrence of the Force Majeure event, cause, or condition. Any obligations that such Party is unable to perform due to an event, cause, or condition of Force Majeure shall be suspended during the continuance of such event of Force Majeure. The Party claiming Force Majeure shall use reasonable efforts to remedy and minimize the effects of such event of Force Majeure with all reasonable dispatch.

7.3 Neither Party shall be liable, or be considered to be in material breach or default, under this Agreement on account of any delay in or failure of performance due to Force Majeure unless specifically stated in this Agreement.

7.4 If Force Majeure prevents restoration within one (1) year from the event of such Force Majeure, then either Party shall have the option to terminate this Agreement.

## 8. INSURANCE

The COUNTY certifies that it is self-insured under the State's self-insurance liability program, as provided by RCW 4.92.130, and shall pay for losses for which it is found liable and County must maintain self or third party insurance on terms below. COUNTY will provide a certificate of Insurance upon request.

During the term of the contract, the PUD shall maintain in force, at its expense, insurance as noted below. There shall be no cancellation, material change, reduction in limits or intent not to renew the insurance coverage(s) without 30 days written notice from the PUD or its insurer(s) to the participating agencies.

Workers' Compensation insurance in compliance with RCW 51.12.020, which requires subject employers' to provide workers' compensation coverage for all their subject workers will be maintained. The PUD shall provide to the COUNTY proof of insurance upon request.

8.1 Liability Insurance. Each Party shall, at its own expense, carry and maintain the following liability insurance coverage throughout the term of the Agreement:

8.1.1 General Liability Insurance - \$1,000,000 per occurrence/\$2,000,000 aggregate

Each Party shall identify the other as an additional insured under the general liability insurance required under this Agreement. It is the sole responsibility of each Party to provide updated insurance information, including any notices of cancellation or reduction in limits of insurance.

8.2 Property Insurance. Each Party shall carry and maintain property insurance in a form that will provide all risk coverage for the fiber optic equipment or facilities upon or within the other's property.

8.3 Insurance Shall Not Limit Liability. Subject to the limitation of liability provisions set forth in Section 14, the insurance coverage and benefits required herein shall not be deemed to limit liability to either Party or any third party. In the event the minimum insurance limits specified in this Agreement are less than the maximum amount of insurance in effect at the time of claim or loss which arises from or is connected to the Agreement, each Party affirmatively agree that all insurance limits available to it will be extended to the other Party as additional insured.

## 9. INDEMNITY

Indemnity, Hold Harmless and Duty to Defend. Subject to the limitation of liability provisions set forth in Section 14, each Party shall, at its sole expense, indemnify, defend, save, and hold harmless the other Party, its officers, agents, members, and employees from all actual or potential claims or losses, including costs and attorneys' fees at trial and on appeal, and damages or claims for damages to property or persons, suffered by anyone whomsoever to the extent caused by any negligent or willful act of or omission of the indemnifying Party or its subcontractors, excluding damages caused by the negligence of the indemnified Party, its officers, agents, or employees.

This indemnification includes, without limitation, any liability for injury to the person or property of either Party, its agents, officers, employees or invitees. Both Parties specifically waive any immunity provided by Title 51 RCW, Washington's Industrial Insurance Act. The provisions of this section shall survive the expiration or termination of this Agreement.

THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.

## 10. WARRANTIES

10.1 AS IS, NO WARRANTY. BOTH PARTIES ACKNOWLEDGE THEY ARE FAMILIAR WITH THE FIBER OPTIC FACILITIES AND EQUIPMENT AND HAVE INVESTIGATED SAME. THEY ACKNOWLEDGE AND AGREE THAT THEY ARE RELYING SOLELY ON THEIR INSPECTION AND INVESTIGATION OF THE FIBER OPTIC FACILITIES AND EQUIPMENT, AND ACCEPT THE FIBER OPTIC FACILITIES AND EQUIPMENT "AS IS, WHERE IS" IN ITS PRESENT CONDITION WITH NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, EITHER ORAL OR WRITTEN, MADE BY EITHER PARTY OR ANY EMPLOYEE, AGENT OR REPRESENTATIVE OF EITHER PARTY WITH RESPECT TO THE PHYSICAL CONDITION OF THE FIBER OPTIC FACILITIES AND EQUIPMENT. EACH PARTY SHALL HAVE DETERMINED PRIOR TO ENTRY INTO THIS AGREEMENT, THAT THE FIBER OPTIC FACILITIES AND EQUIPMENT CAN BE USED FOR THE INTENDED PURPOSES. BOTH PARTIES ACKNOWLEDGE AND AGREE THAT NEITHER PARTY, NOR ANY EMPLOYEE, AGENT OR REPRESENTATIVE, HAS MADE, AND DOES NOT MAKE, ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE SUITABILITY FOR COMMERCIAL PURPOSES, MERCHANTABILITY, POTENTIAL USE OF THE FIBER OPTIC FACILITIES AND EQUIPMENT, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INTERRUPTABILITY OF THE FIBER OPTIC SERVICES, ALL OF WHICH WARRANTIES EACH PARTY HEREBY EXPRESSLY DISCLAIMS.

## 11. ASSIGNMENT

This Agreement cannot be assigned, transferred or any portion subcontracted by either Party, to other than NoaNet, hereto without the prior written consent of the other Party, which shall not unreasonably be withheld.

## 12. WAIVER

The consent by COUNTY or PUD to any act by the other shall not be deemed to imply consent or to constitute the waiver of a breach of any provision hereof or continuing waiver of any subsequent breach of the same or any other provision, nor shall any custom or practice which may arise between the Parties in the administration of any part of the provisions hereof be construed to waive or lessen the right of a Party to insist upon the performance by the other Party in strict accordance with the provisions hereof.

## 13. DEFAULT AND REMEDIES FOR DEFAULT

13.1 Breach. This Agreement may be terminated upon the occurrence of a material breach of this Agreement and a default under this Agreement. If the Party in breach fails to cure the breach within thirty (30) days or such longer period of time as is provided below, after receipt of notice thereof from the non-breaching Party, or, when the cure reasonably requires more than thirty (30) days, the breaching Party fails to commence the cure within such thirty (30) days and thereafter diligently and continuously prosecute such cure to completion, such action or inaction shall constitute a material breach and default under this Agreement.

13.2 Remedies Not Exclusive. **Subject to Section 14.2.** In the event of a material breach and default under this Agreement, termination is not the exclusive remedy. Any and all other remedies available of law or equity are expressly preserved.

## 14. LIMITATION OF LIABILITY

14.1 THE PARTIES SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, LIQUIDATED, OR SPECIAL DAMAGES OR LOST REVENUE OR LOST PROFITS ARISING OUT OF THIS AGREEMENT OR THE PERFORMANCE OR NONPERFORMANCE OF ANY PROVISION OF THIS AGREEMENT.

14.2 SUBJECT TO SECTION 15, EACH PARTY'S TOTAL LIABILITY FOR ANY CLAIMS OR DEMANDS ARISING OUT OF OR RELATED TO THIS AGREEMENT SHALL NOT EXCEED THE AMOUNTS PAID BY THE OTHER PARTY PURSUANT TO THIS AGREEMENT.

## 15. NOTICE

Except as may otherwise be provided herein, any notices, except service of process and notice of emergency which may be given personally, telephonically, by e-mail or facsimile, shall be effective if personally served upon the other Party or if mailed by registered or certified mail, return receipt requested, to the following addresses:

Stevens County Information Services Department, 215 S. Oak St, Colville, WA 99114

Stevens County Public Utility District No. 1, 3955 Third Ave, PO Box 592, Loon Lake WA 99148

Notices mailed shall be deemed given on the date of mailing. The Parties shall notify each other in writing of any change of address.



16. DISPUTE RESOLUTION

In the event that a dispute arises under this Agreement, it shall be resolved as follows: Each Party shall appoint a member to a disputes board. These two members shall then select a third member not affiliated with COUNTY or PUD. The three-member board shall conduct a dispute resolution hearing that shall be informal and unrecorded. An attempt at such dispute resolution in compliance with the aforesaid process is a prerequisite to filing of any litigation concerning the dispute. The Parties shall share equally in the cost of the third disputes board member.

17. GOVERNING LAW

This Agreement shall be governed by the laws of the State of Washington.

18. ATTORNEYS' FEES AND COSTS

In the event of litigation regarding any of the terms of this Agreement, the substantially prevailing Party shall be entitled, in addition to other relief, to such reasonable attorneys' fees and costs as determined by the court.

19. MUTUAL NEGOTIATION AND CONSTRUCTION

19.1 Mutual Negotiation and Construction. This Agreement and each of the terms and provisions hereof are deemed to have been explicitly negotiated between, and mutually drafted by, the Parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either Party.

19.2 Headings. The captions and section headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any section.

20. ENTIRE AGREEMENT; AMENDMENTS

This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements or understandings among the Parties with respect thereto. This Agreement may be amended only by an agreement in writing signed by the Parties.

22. SEVERABILITY

Should any part, term or provision of this Agreement be determined to be invalid, the remainder of this Agreement shall not be affected, and the same shall continue in full force and effect.

23. NO THIRD PARTY RIGHTS

This Agreement shall not be construed to create rights in or grant remedies to any third Party as a beneficiary of this Agreement.

24. TAXES

Each Party shall be responsible for its own federal, state and local taxes, assessments, fees, surcharges and other financial impositions.

25. COMPLIANCE WITH LAWS

Each Party hereto, in its performance of this Agreement, agrees to comply with all applicable local, State, and Federal laws and ordinances.

26. RELATIONSHIP OF THE PARTIES

This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the PARTIES, or to impose any partnership obligations or liability upon either Party. No agent, employee or representative of COUNTY shall be deemed to be an agent, employee, or representative of PUD for any purpose. No agent, employee or representative for PUD shall be deemed to be an agent, employee or representative of COUNTY for any purpose.

27. CONFIDENTIALITY

Each Party shall treat all information made available or disclosed to, or developed or obtained by, it as the result of or related to this Agreement ("Confidential Information") as confidential, and shall not disclose or use Confidential Information for the benefit of any person other than the disclosing Party; provided however, that the Party receiving the Confidential Information shall have no obligation with respect to that portion of Confidential Information which is disclosed by the disclosing Party to others without any restriction on use or disclosure, or which must be disclosed to others under law. If the receiving Party receives a request for Confidential Information from a third party, the receiving Party shall promptly notify the disclosing Party in writing of such request, and if the receiving Party in good faith believes it is obligated to disclose the requested Confidential Information, the disclosing Party shall be given the opportunity to seek judicial or other protection of such Confidential Information within 48 hours of notice to the Party, with the cooperation of the receiving Party.

28. SURVIVABILITY

All provisions of this Agreement regarding indemnification, representations, warranties, confidentiality, and any other provisions that by their nature are intended to survive termination of this Agreement shall survive after its termination or expiration.

29. FILING

This Agreement shall be filed with the County Auditor or, alternatively, listed by subject in the Parties' respective websites or other electronically retrievable public source.

30. ADMINISTRATOR

(a) Mark R. Curtis, Director of Stevens County Information Services Department, shall be the Administrator of this Agreement for the COUNTY.

(b) Richard C.R. Price, P.E., General Manager of the Stevens County Public Utility District No. 1., shall be the Administrator of this Agreement for the PUD.

31. AUTHORIZATION

Each Party hereby represents and warrants to the other that it is duly authorized to enter into and carry out the terms of this Agreement.

32. COUNTERPARTS

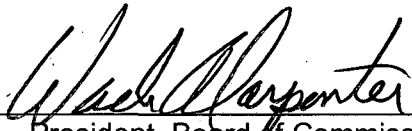
This Agreement may be executed in counterparts, which together shall constitute a single agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above.

Stevens County

Stevens County Public Utility District No. 1

By:   
Chair, Stevens County BOCC

By:   
President, Board of Commissioners  
Stevens County PUD #1

**EXHIBIT A  
COMPENSATED SERVICES  
BETWEEN STEVENS COUNTY AND STEVENS COUNTY PUD**

Stevens County agrees to provide the following:

1. Floor space for three server racks (42U/3x20 amp) w/HVAC and UPS back up power Colville ..... \$840.00 per month
2. On-site response for hardware support (Colville) ..... \$125.00 per month
3. On-site response for hardware support (Kettle Falls) ..... \$125.00 per month
4. Warehouse space for construction rent (18-months) ..... \$550.00 per month

Total in-kind value (36 mo x \$1,090) + (18 mo x \$550.00) = \$49,140

5. Cash matching contribution towards ARRA NTIA BTOP grant authorized expenditures ..... \$280,860.00 one time
6. Cash for the sole purpose of the planning, design, construction and implementation of telecommunications infrastructure within Stevens County as provided under RCW 82.14.370. The PUD's use of these funds are subject to inspection by the State Auditor's Office ..... \$100,000.00 one time

PUD agrees to provide the following within the Colville City limits:

1. 2 pair fiber from County Courthouse to Public Works building ..... \$100.00 per month
2. 2 pair fiber from County Courthouse to Fairgrounds building ..... \$100.00 per month
3. 2 pair fiber from Fairgrounds building to Ambulance building ..... \$100.00 per month
4. Remove existing fiber between communications vault, Tri-County Health, Public Works, and NEWACS buildings

Initial term shall be 60 months


**Total monthly commitment for this Exhibit:**

Stevens County to Stevens PUD \$300.00

Stevens PUD to Stevens County \$ 0.00

Date: 3 April 2012

Stevens County



Chair, BOCC

Date: 4-11-12

Stevens County Public Utility District #1



President, Board of Commissioners