EQUIPMENT PURCHASE AND SALE AGREEMENT

This Equipment Purchase and Sale Agreement is entered into this ____ day of _____, 2020, by and between the City of North Bonneville, a Washington municipal corporation ("City") and GORGE NETWORKS, INC., an Oregon Corporation ("Gorgenet"), collectively referred to as "Parties."

WHEREAS, the City has identified its cable television system as surplus property; and

WHEREAS, the City desires to sell and Gorgenet desires to purchase the following components of its coaxial cable system:

- All coaxial cable throughout the city formerly used to provide cable television services, including any conduit used for its burial;
- All signal amplifiers, modulators and related equipment currently affixed to the coaxial cable system, not including receivers;
- All related equipment, excepting only the Head-End structure and fixtures, land, antenna tower and antennas; and

WHEREAS, the City and its residents have been underserved for internet service, making most modern streaming services unavailable to City residents and severely limiting the City's ability to conduct government on-line; and

WHEREAS, the coaxial cable system is nearing the end of its useful life and requires substantial investment in the system to enable faster internet speeds; and

WHEREAS, Gorgenet desires to purchase the above property from the City for the sums set forth herein;

NOW THEREFORE, in exchange for the mutual covenants and conditions contained herein, the Parties agree as follows:

1. Purchase Price. In consideration for the purchase of the property detailed above, Gorgenet will pay to the sum of one dollar and 00/100 ($1.00), plus such other and further consideration set forth herein.

   In addition to the Purchase Price, Gorgenet agrees to upgrade the coaxial cable system to do the following:

   a. provide not less than a DOCSYS 3 head-end service with not less than twenty-five megabytes per second (MBPS) internet service within three months of council approval of this agreement.
   b. Gorgenet will evaluate the severed, damaged, or removed sections of the coaxial cable plant and will attempt repairs of these sections. Gorgenet shall not have any obligation to provide service to any

customers impacted by the severed, damaged, or missing sections until repairs can be completed.

In addition to the Purchase Price, Gorgenet agrees to provide the fastest speed available on the system and not less than twenty-five MBPS to City Hall and city telemetry sites, free of charge as part of and for the duration of Gorgenet's franchise in the City. City will bear the cost of any line extensions and equipment necessary to provide service to City Hall or its telemetry sites.

The city may not impose a utility tax to be paid by Gorgenet unless it is permitted to do so by state and federal law.

2. Term. The future obligations of each party outlined in this Equipment Purchase and Sale Agreement shall continue for a period equal to the term of Gorgenet's franchise in the City.

3. Gorgenet's Representation. Gorgenet represents that Gorgenet has sufficient funds to close this sale and franchise agreements, and that Gorgenet has sufficient funds to upgrade and operate the cable system to provide internet service.

4. Condition of Property. Gorgenet has fully inspected the property and accepts the property in an "as-is, where-is, with all faults" condition. City has made no warranties or representations as to the condition of the property, including no warranties of merchantability or fitness for a particular purpose. Gorgenet accepts all risk and agrees that City shall not be liable to Gorgenet, its successors or assigns, for any damages resulting from the ownership, use, condition, location, or maintenance of the property.

5. Termination/Default. In the event that Gorgenet fails to maintain the coaxial system to provide the internet service contemplated herein, City shall have the right to repurchase the system from Gorgenet for the book value of the system, adjusted to book all equipment in the system originally acquired from the City at one dollar ($1.00). City shall provide Gorgenet with not fewer than one-hundred twenty (120) days' notice of default and its intention to exercise it's repurchase right unless Gorgenet restores internet service within that period. Thereafter, if the default has not been cured or Gorgenet fails to take reasonable action to remedy the default within that period, City shall be entitled to obtain from Gorgenet,Gorgenet's then book value of the coaxial cable system and shall have ninety (90) days to pay Gorgenet in full for the system. In the event of any dispute regarding the book value of the coaxial cable system, or of any defaults or notifications of default issued pursuant to this section, the Parties agree to seek mediation of any dispute prior to commencing litigation in Skamania County Superior Court. The Parties agree

that this process affords due process and proceeding pursuant to this section shall create a rebuttable presumption of fair compensation to Gorgenet.

6. General Provisions.
   a) There are no verbal agreements which modify this agreement. This agreement, along with the facility use agreement and franchise agreement, constitute the full understanding between the Parties and supersedes any prior proposals or agreements.

   b) If the Parties are involved in any dispute relating to any aspect of this agreement, the prevailing party shall recover its reasonable attorney's fees.

   c) Gorgenet expressly acknowledges that the City's obligation to sell the property is contingent on the approval of this agreement as well as the related facility use and franchise agreements by the City Council of the City of North Bonneville.

7. Federal Laws. Gorgenet shall comply with all Federal Communications Commission rules and regulations, both present and future.

IN WITNESS WHEREOF, this Equipment Lease Agreement is entered into as of the date first set forth above.

CITY	GORGENET
_____	_____
Mayor	Dan Bubb, its President
ATTEST:	APPROVED AS TO FORM:
_____	_____
Clerk	City Attorney