FACILITY USE AGREEMENT

This agreement is entered into between the City of North Bonneville, Washington (hereinafter "City"), and Sawtooth Technologies, LLC. (hereinafter "Sawtooth"). The City of North Bonneville agrees to permit the use of a designated portion of its facilities (property and premises) commonly described as the Head-End Building (166 East Cascade Drive, North Bonneville, Washington) and associated tower subject to the following terms and conditions.

1. Term. The term of this Agreement shall be for the period beginning on November 1, 2011 and ending on December 31, 2011. Sawtooth may renew this lease annually for up to twenty (20) renewal periods, provided it is not in default of this agreement. The agreement shall renew automatically for one additional calendar year, unless either party gives the other notice in writing at least thirty (30) days prior to the annual renewal date of January 1 of each year.

2. Rental Charge: Sawtooth shall pay the City a base lease rate of $100.00 per month for the use of the facilities, exclusive of utility charges. Payments will be due and payable on or before the 15th day of each rental month. This rate shall be shall be increased (or unchanged in the event of a negative change) by a percentage equal to any positive annual percentage change in the Consumer Price Index for Urban Wage Earners most recently published by the Bureau of Labor Statistics of the United States Department of Labor ("CPI-U") prior to the commencement of the second and third years of the Lease Term (as applicable), as compared to the CPI prior to the Lease Commencement Date or most recent anniversary thereof. In the event of a negative CPI-U change, the Base Rent shall adjust only when the CPI-U increases above the year just prior to the first year in which there was a CPI-U decrease, and then only to the extent of that change. In no event will the Base Rent decrease. All lease rates will be plus Washington State Leasehold Excise Taxes as established by RCW Ch. 82.29A, due and payable on or before the first day of each month, in advance, without demand.

3. Utilities. In addition to the base lease, above, Sawtooth shall pay for electric utility costs of the Head End building and Tower, which shall prorated for each tenant using those facilities.

4. Right of Refusal. The City shall provide first right of refusal to Sawtooth of any purchase and sale of the Head End Building, Tower, or land.

5. Default of Payment. Sawtooth shall be considered in default of this agreement if Sawtooth fails to make a monthly payment when due and such failure continues for 30 days after the city notifies Sawtooth in writing of such failure. In the event of a default, the city may at its sole discretion terminate this agreement and Sawtooth shall thereafter promptly remove all equipment from the premises.

6. Use Of Premises. Sawtooth shall enjoy non-exclusive use the premises for the purpose of providing cable internet services, but shall enjoy exclusive use of one room

in the Head End building. The City shall provide a locking door to this room. Equipment necessary for the operation of the cable internet system may be installed at Sawtooth's expense with prior permission from the City.

7. Alterations. Sawtooth may make alterations to the site only after the city has approved the plans and specifications of such alterations. The city shall not unreasonably withhold such approval.

8. Maintenance.

a) The City shall keep the exterior of the premises including the foundation, walls, and roof and all fixtures and appliances in good repair.

b) Sawtooth shall keep said premises in as good condition as it was at the time of the commencement of occupancy and use, reasonable wear and tear excepted.

c) Sawtooth shall ensure that any storage of heavy equipment (such as trenchers, backhoes, etc.) upon the premises is be maintained in a clean and orderly fashion.

d) Sawtooth shall properly dispose of rubbish, garbage and waste in a clean and sanitary manner and assume all costs of extermination and fumigation for infestation of pests.

e) Sawtooth shall properly use and operate all fixtures and appliances.

f) Sawtooth shall not destroy, deface, damage, impair or remove any part of the premises, its appurtenances, facilities, equipment, furniture, furnishings, or appliances, nor permit any other person to do so.

g) Sawtooth shall not permit any nuisance or waste upon the premises.

h) Sawtooth shall not make any alterations to the premises or do or cause to be done any painting or wallpapering without prior consent of the City.

i) Sawtooth shall not allow any lien on encumbrance to be attached to the property.

9. Access. The City shall have the right to enter the premises without notice at any time to inspect the property, make repairs or alterations, or to supply services.

10. Personal Property. Sawtooth hereby agrees that all equipment and fixtures installed or stored on the site by Sawtooth constitute personal property, not real property, and shall continue to be personal property of Sawtooth. Sawtooth's equipment and fixtures shall remain Sawtooth's personal property, free from any lien of the city, and shall not be considered fixtures to the site. Sawtooth shall at all times be authorized to remove its equipment and fixtures from the site, provided that such removal is accomplished without damage to the site or interference to the city's or other lessee's business.

11. Assignment / Subletting. Sawtooth may assign this Agreement or sublet the premise or any portion thereof with the City's prior written consent, which consent shall not be unreasonably withheld.

12. Previous Agreements. This agreement supersedes all existing lease or facility use agreements between the City and Sawtooth, including the existing lease agreement of the tower.

13. Damage or Destruction. In case the premises shall be destroyed or damaged by fire or other casualties so as to be unusable, either party may terminate this Agreement. The City shall have no liability by reason of loss, damage, inconvenience, or annoyance arising from the necessity of repairing any portion of the building or its appurtenances.

14. Insurance. The City may carry insurance on the premises and improvements as it deems proper, but it is specifically understood and agreed that Sawtooth must obtain and maintain in force insurance coverage on its use of the premises and shall provide copies of such policies for the City's review and approval upon request. The City should be identified as an additional named insured under such policies. Sawtooth shall be responsible for insurance coverage for any of Sawtooth's equipment, and shall indemnify and hold the City harmless against any loss, theft or destruction of Sawtooth's equipment or other property.

15. Indemnity. Each party shall save the other harmless from any liability by reason of personal injuries or property damage caused by its negligence of its officers, employees, or agents, in, on or about the premises. The City's obligation hereunder shall not extend to any cause, claims, or actions, which arise from Sawtooth's own negligence or its failure to comply with any provision of this Agreement.

16. Termination and Surrender.

a) At the termination of this Agreement, Sawtooth will surrender its use of the premises peaceably and shall immediately remove all of Sawtooth's property from the premises.

b) If either party fails to comply with any covenant, term or condition of this Agreement, the other party may, in addition to any other remedy authorized by law, terminate this Agreement. Provided, however, that either party shall give the other written notice specifying the breach claimed and give the other:
    - Three days to quit the property if the breach involves the committing or permitting of waste upon the property; setting up or carrying on any unlawful business on the property; or erecting suffering or permitting or maintaining any nuisance on the property.
    - Ten days to remedy any other default.

c) The City may terminate this Agreement upon 60 days notice with or without cause.

17. Litigation. In the event of litigation to enforce any of the terms of this Agreement, the prevailing party shall be entitled to costs, including reasonable attorney fees, incurred by the other. This agreement shall be construed under the laws of the State of Washington. All actions to enforce this agreement or arising out of this agreement shall be commenced in the Superior Court of Skamania County, Washington.

18. Notices. All notices or correspondence to be served upon the City or Sawtooth by the other party shall be in writing and delivered by first class mail, postage prepaid or by facsimile or by a national express mail service. Notices or correspondence to the city shall be addressed as follows:

Mayor
City of North Bonneville
P.O. Box 7
North Bonneville, WA 98639

Notices or correspondence to Sawtooth shall be addressed as follows:

Sawtooth Technologies, LLC
Attn: Brian Adams, President
PO Box 857
Stevenson, WA 98648

The City or Sawtooth may designate such other address or addresses from time to time by giving written notice to the other as set forth above.

IN WITNESS WHEREOF, this Agreement is entered into as of this 8th day of November, 2011.

_____	_____
Mayor	Brian Adams, Manager
ATTEST:	APPROVED AS TO FORM:
_____	_____
Clerk	Attorney