

Memorandum of Understanding as to Potential Public/Private Partnership between the Port of Coupeville and Whidbey Telecom

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A. Parties.

1. The Port of Coupeville. The Port of Coupeville (“Port”) is a public port district located in central Whidbey Island, Washington. The Port’s mission, within the limits of its authorizing statutes, is to “sustain and enhance the economic and environmental health” of the Port. In fulfilling this mission, the Port seeks to partner with private entities for the purposes of achieving its mission.

2. Whidbey Telecom. Whidbey Telecom (“WT”) is a local company with over 100 years of experience delivering telecom services to Whidbey Island and is now a leading provider of telephone, internet, and other technology solutions on Whidbey Island and the greater Puget Sound Region. WT remains committed to serving the needs of Whidbey Island and being a champion of strategic economic development on the island.

B. Background and the Potential Project. WT has recently expanded its “BiG GiG” services on Whidbey Island, including a fiber to the home build in Langley, Washington. BiG GiG has the ability to bring high speed fiber optic internet services to areas where such services were formerly unavailable or inadequate. The Port recognizes that the Puget Sound region is increasingly becoming a technology hub and that it can support network development projects, that could be used to support high quality and high paying jobs without significant impact to the natural beauty of the region. Additionally, the Port’s existing bonds related to Greenbank Farm are reaching maturity, which provides the Port some financial freedom to engage in a capital project. Accordingly, the Port and WT desire to explore the possibility of a public/private venture to bring BiG GiG to the Port (“Project”).

C. Exploratory Phase. In order for both the Port and WT to determine the viability of the Project, certain additional information is needed. The parties need to evaluate whether sufficient demand exists for the Project, as well as whether there are any other technological limitations to

bringing BiG GiG to the Port and potential costs. Therefore, the Port and WT agree to enter into a six month exploratory phase (“Exploratory Phase”) from the date of this Memorandum of Understanding (“MOU”) during which time the following will occur:

1. Point Person. The Port and WT will each identify at least one point person to be the primary contact for his or her respective entity. Such person will be responsible for managing the Exploratory Phase, meeting all deadlines, communicating with the other party, and disseminating all information to the appropriate people at the Port or WT, respectively.

2. Bi-Weekly Meetings. The point people, along with any other people involved in the Exploratory Phase, will meet at least weekly at a mutually-agreeable time and place to discuss the Project and progress during the Exploratory Phase. Meetings may be in person or by phone.

3. Access to Greenbank Farm. The Port shall provide such access to Greenbank Farm, or such other Port property as may be needed, as is reasonably necessary for WT to determine what would be required to complete the Project.

4. Deliverables. The Port and WT agree to provide the following deliverables to the other party by the following dates:

(a) The Port:

- A market analysis of the estimated demand for BiG GiG services within 60 days of the execution of this MOU.

(b) WT:

- A rough order of magnitude to construct and implement the Project based on the estimated scope of the Project within 60 days of the execution of this MOU.
- An estimate of the costs to construct and implement the Project based on conversations subsequent to the rough order of magnitude within 120 days of the execution of this MOU.
- An estimate of ongoing pricing for internet services based on the current understanding the scope of the Project within 120 days of the execution of this MOU.

5. Confidentiality. The Port recognizes that it may receive certain confidential information or trade secrets from WT during the Exploratory Phase. It will keep all such information, documentation, or discussions confidential. To the extent the Port believes any information received from WT is subject to disclosure under the Public Records Act (“PRA”), Chapter 42.56 RCW, it will provide WT immediate notice of any applicable public records request. The Port acknowledges that such information may be exempt from disclosure under the PRA, pursuant to the Uniform Trade Secrets Act, Chapter 19.108 RCW, or other applicable statute.

6. Non-Binding MOU. This MOU is merely an invitation to negotiate the subject matters detailed above. With the exception of the Confidentiality paragraph, this MOU does not

represent a legally binding offer or contract. With the exception of the Confidentiality paragraph, neither party shall have any legal rights or obligations with respect to the other, and no party shall take any action or fail to take action in detrimental reliance upon this letter or our negotiations until definitive agreements are in place.

THE PORT OF COUPEVILLE

WHIDBEY TELECOM

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____