



Columbia Rural
Electric Association

January 3, 2013

Jeffery C. Thomas, General Manager
Walla Walla Country Club
1644 Plaza Way, #508
Walla Walla, WA 99362

Re: Electric Service with Columbia Rural Electric Association

Dear Mr. Thomas:

This letter sets forth the understanding and agreement between the Walla Walla Country Club ("WWCC") and Columbia Rural Electric Association ("CREA"), jointly referred to as "Parties", with regard to expenses related to the installation and delivery of electric service under the Electric Service Agreement, signed by WWCC and CREA on October 31, 2012 to include disconnection charges assessed by Pacific Power and reasonable costs, attorney fees and other related expenses incurred by WWCC.

1. Background. WWCC has received an estimate from PacifiCorp to disconnect its existing electrical service. The disconnection may include removal, retention or purchase of existing underground conduit that contains electric lines and related facilities. A dispute exists between WWCC and PacifiCorp with regard to the ownership and removal of the underground conduit. PacifiCorp claims it holds right, title and interest in the conduit and may either remove conduit or take action to destroy the conduit so that it may not be used for future electric service. The Parties believe PacifiCorp's action will unnecessarily damage the golf course property and result in waste of materials. CREA further believes reuse of the conduit would expedite installation of new utility service, decrease the cost to extend service and avoid wasting the conduit.

2. Costs and Expenses.

A. Disconnect from Pacific Power. Pacific Power has provided WWCC with an estimate stating that the disconnection fee will be approximately \$19,581.00 ("Disconnection Fee"). CREA agrees to: (i) reimburse WWCC the full amount of the Disconnection Fee and (ii) recover from WWCC the amount of \$9,970.50 ("Loan Amount"). WWCC agrees and promises to pay the Loan Amount to CREA over a period of thirty six (36) months through monthly payments of \$271.00 that will be added to the WWCC charges for electric service. The first payment will be due upon receipt of the first bill for electric service. No interest will be charged on the Loan Amount provided timely payments are made. In the event the Loan Amount is not

back math... 9970.50

951.8

J. Thomas
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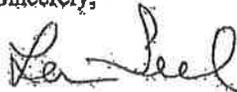
paid as set forth herein, the Parties agree that CREA may exercise all remedies provided by the CREA Bylaws, rules and policies including all remedies available at law or in equity.

B. Attorney Fees, Court Costs and Related Expenses. To assist in resolving the dispute with PacifiCorp, WWCC has engaged its attorney, Thomas K. Baffney. CREA agrees to reimburse WWCC its reasonable attorney fees, court costs and related expenses incurred for legal services delivered to WWCC that relate to the removal, acquisition, retention or similar claims involving the ownership, control, right or interest of WWCC in the underground conduit. WWCC authorizes Mr. Baffney to periodically consult with CREA management and attorneys in order to review and discuss this matter, including WWCC's reasonable attorney fees. CREA shall reimburse WWCC directly for reasonable attorney fees upon presentation of an invoice.

C. Miscellaneous. This Letter of Understanding is an amendment to the Electric Service Agreement.

The Parties acknowledge by signing below that the above matters are understood and agreed on the day and year set forth below.

Sincerely,



Les Teel
CEO Columbia Rural Electric Association

The above is acknowledged and agreed by the Walla Walla County Club this 3rd day of January, 2013.



Jeff Thomas, General Manager