

THE LAW FIRM OF PLATT IRWIN TAYLOR

403 SOUTH PEABODY
PORT ANGELES, WA 98362
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LETTER OF TRANSMITTAL

RECEIVED
APR 26 2006
PUD No. 1

TO: Public Utility District
No. 1 of Clallam County
Attn: Shelley Burgett
P.O. Box 1090
Port Angeles, WA 98362

DATE: April 25, 2006

RE: PUD/GRAYS HARBOR COUNTY

ENCLOSURE: ORIGINAL RECORDED INTERLOCAL AGREEMENT FOR
WHOLESALE TELECOMMUNICATIONS SERVICES

PLEASE TAKE THE FOLLOWING ACTION:

- SIGN AND RETURN ORIGINAL
- FILE AND RETURN CONFORMED COPY
- RECORD AND RETURN
- COPY FOR YOUR FILE
- FOR YOUR FILES
- FOR YOUR REVIEW
- AS YOU REQUESTED
- COMMENT:

Please call if you have any questions.

THE LAW FIRM OF PLATT IRWIN TAYLOR
Patrick M. Irwin

PMI:ss

FILED FOR RECORD AT THE REQUEST

OF PIT
RECORDED BY REC. CLERK CLALLAM CO.

2006 APR 17 PM 3:37

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Return Address:

Patrick M. Irwin
THE LAW FIRM OF
PLATT IRWIN TAYLOR
403 S. Peabody
Port Angeles, WA 98362



2006 1178552 Clallam
County


Title of Document: INTERLOCAL AGREEMENT FOR WHOLESALE
TELECOMMUNICATIONS SERVICES

Reference No.:
(if applicable)

Grantors/Grantees: Public Utility District No. 1 of Clallam County
Public Utility District No. 1 of Grays Harbor County

Legal Desc.:
(abbreviated)

Real Estate Tax Parcel No.:

 2006-03020012
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03/02/2006 11:38A
Grays Harbor Co
PLATT IRWIN TAYLOR LAW FIRM 34.00 AGRMT

**INTERLOCAL AGREEMENT FOR
WHOLESALE TELECOMMUNICATIONS SERVICES # 060401**

This Agreement is an Interlocal Agreement by and between Public Utility District No. 1 of Clallam County (the "District") and Public Utility District No. 1 of Grays Harbor County ("Grays Harbor") for the purpose of providing Wholesale Telecommunications Services within the service area of Public Utility District No. 1 of Grays Harbor County.

1. Grays Harbor hereby authorizes the District to provide Wholesale Telecommunications Services to telecommunication and Internet providers within Grays Harbor's service area. To this end, Grays Harbor authorizes the District to take such steps as are necessary to provide, maintain and service Wholesale Telecommunications Services, and infrastructure for said service, to and for providers within the Grays Harbor service area.

2. The District shall contract directly with telecommunication and Internet providers within Grays Harbor's service area and shall be solely responsible for providing telecommunication services to those providers. This Agreement does not create a partnership or any other agency relationship between the District or Grays Harbor. Neither party is authorized to speak for, obligate or incur liability on behalf of, the other party in any way. This Agreement does not authorize either party to use, manage, restrict or control the other party's rights, employees or facilities, or the other party itself.

3. The District shall not sell, lease or license Internet bandwidth or any telecommunication service to end users, except in the case of contracting for telecommunication services with Grays Harbor itself.

4. The District shall be responsible for financing any of the costs associated with the delivery of Internet access or bandwidth under the terms of this Agreement.

5. The District shall appoint an administrator to be in charge of supervising the delivery of services under this Agreement. The District may appoint a new administrator at any time without notice to Grays Harbor.

6. The District may acquire, hold or dispose of real or personal property as necessary to deliver services under this Agreement. Such property shall be titled and held in the name of the District.

7. This agreement shall commence on January 1, 2006 and continue until December 31, 2006. This Agreement shall automatically and perpetually renew annually each January 1 unless either party to this Agreement delivers notice in writing to the other party at least 90 days before the date of automatic annual renewal.

8. This Agreement may be terminated upon 60 days' written notice by either party, provided the District is not providing services, or under contract to provide services, to any wholesale Internet providers within Grays Harbor's service area at the time notice is given.



9. Any notice required under the terms of this Agreement shall be sent to the following:

If to the District: Manager
Public Utility District No. 1 of Clallam County
P.O. Box 1090
Port Angeles, WA 98362

If to Grays Harbor: Manager
Public Utility District No. 1 of Grays Harbor County
P.O. Box 480
Aberdeen, WA 98520

10. The parties agree that any dispute that arises out of the interpretation, performance, enforcement, or any other aspect of this Agreement shall be resolved by submitting the same to binding arbitration which shall proceed according to the rules for Superior Court Mandatory Arbitration Rules (MAR) as a case assigned for arbitration; provided, however, that each party shall select a nominating person within ten days (10) of notice of the dispute from any party to the other. District shall select one nominating person and Grays Harbor shall select one nominating person. The two nominating persons shall then meet and promptly select the arbitrator. If the nominating persons do not select a person who agrees to serve as arbitrator within thirty (30) days of the first notice, the arbitrator shall be selected by a Superior Court Judge of Clallam County. The arbitrator's fees shall be paid by the individuals or corporation whom the arbitrator determines was the unsuccessful party.

PUBLIC UTILITY DISTRICT
NO. 1 OF CLALLAM COUNTY

By: Shelley Pitt
Its: General Manager
Date: 1/31/06

PUBLIC UTILITY DISTRICT
NO. 1 OF GRAYS HARBOR COUNTY

By: Robert J. Hamy
Its: IT Manager
Date: 01/25/06