



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

August 5, 2014

Via E-File / US Mail

Public Utility Commission of Oregon
3930 Fairview Industrial Drive SE
PO Box 1088
Salem, OR 97308-1088

Attention: **Commission Filing Center:**

Re: UP-XXX Application for Approval of the Sale of PGE Property at 8710 N Dana Avenue.

Enclosed are the original signed Application and one copy requesting approval to sell property in the City of Portland, Multnomah County, Oregon to Bridge Meadows. PGE has E-filed a copy on this date.

We ask that this Application be placed on the docket for consideration at the Commission's public meeting on September 16, 2014, or as soon thereafter as possible.

If you have any questions or require further information, please call me at (503) 464-7580 or Irina Phillips at (503) 464-7957. Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pge.com.

Sincerely,

A handwritten signature in blue ink that reads "Patrick G. Hager". The signature is written in a cursive style.

Patrick G. Hager
Manager, Regulatory Affairs

PGH/sp
Encls.

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UP- _____

In the Matter of the Application of)
PORTLAND GENERAL ELECTRIC COMPANY) APPLICATION
in Regard to the Sale of its Property)

Pursuant to ORS 757.480 and OAR 860-027-0025, Portland General Electric Company ("PGE") seeks approval from the Oregon Public Utility Commission ("Commission") for the sale of certain PGE property no longer useful or necessary for providing utility service to the public.

Background

PGE owns property located in the City of Portland, County of Multnomah, Oregon, at 8710 N Dana Avenue, specifically lots 25-30, Block 174, in University Park (the "Property"). The Property site was purchased as a whole for the use of a substation (Dana Substation) in 1950. The Property is zoned R-5 under the jurisdiction of the City of Portland and allows for single family residential development.

After PGE completed the expansion at Alder substation, the company determined that the Dana Substation was no longer necessary or useful in the performance of PGE's duties to the public. The Property was decommissioned. PGE requests Commission approval to sell the Property to Bridge Meadows (Buyer), an Oregon nonprofit public benefit corporation.

For valuation purposes, an independent appraiser (MAI) performed an exterior inspection of the Property and researched general market conditions (see Exhibit I-3). The appraised value was \$270,000.

The Buyer bid successfully for the Property pursuant to a solicitation for offers conducted by PGE. The Buyer will pay the purchase price of \$547,500¹ at closing in cash. PGE and the Buyer executed a Purchase and Sale Agreement (Exhibit I-1). Closing of the sale is contingent upon OPUC approval.

For accounting purposes (See Exhibit J), PGE will defer the gain on the sale of the Property of approximately \$350,271. PGE has agreed to adhere to Staff's desired treatment of gain/losses on the sale of land for purposes of this sale/transfer of the Property sale.

I. Required Information Under OAR 860-027-0025(1)

Pursuant to the requirements of OAR 860-027-0025, PGE represents as follows:

(a) *The exact name and address of the utility's principal business office:* Portland General Electric Company, 121 SW Salmon Street, Portland, Oregon 97204.

(b) *The state in which incorporated, the date of incorporation, and the other states in which authorized to transact utility operations:* PGE is a corporation organized and existing under and by the laws of the State of Oregon. The date of its incorporation is July 25, 1930. PGE is authorized to transact business in the states of Oregon, California, Idaho, Montana, Utah, Washington and as of February 21, 1995, is also registered as an extra-provincial corporation in Alberta, Canada, but conducts retail utility operations only in the state of Oregon.

(c) *Name and address of the person on behalf of applicant authorized to receive notices and communications in respect to the applications:*

¹ The Buyer did not use a broker and therefore did not pay a broker's fee. Thus, the overall price was reduced.

PGE-OPUC Filings
Rates & Regulatory Affairs
Portland General Electric Company
121 SW Salmon Street, 1WTC-0702
Portland, OR 97204
(503) 464-7857 (telephone)
(503) 464-7651 (fax)
pge.opuc.filings@pgn.com

Loretta Mabinton
Associate General Counsel
Portland General Electric Company
121 SW Salmon Street, 1WTC-1301
Portland, OR 97204
(503) 464-7822 (telephone)
(503) 464-2200 (fax)
Loretta.mabinton@pgn.com

In addition, the names and addresses to receive notices and communications via the e-mail service list are:

Patrick G. Hager, Manager, Regulatory Affairs
E-Mail: patrick.hager@pgn.com

(d) *The names, titles, and addresses of the principal officers:*

As of June 30, 2014, the following are the principal officers of PGE, with primary business offices located at 121 SW Salmon Street, Portland, Oregon 97204:

<u>Name</u>	<u>Title</u>
James J. Piro	President and Chief Executive Officer
James F. Lobdell	Senior Vice President, Finance, Chief Financial Officer and Treasurer
William O. Nicholson	Senior Vice President, Customer Service, Transmission and Distribution
Maria M. Pope	Senior Vice President, Power Supply & Operations, And Resource Strategy
Arleen N. Barnett	Vice President Human Resources, Diversity & Inclusion, and Administration
Bruce Carpenter ²	Vice President, Distribution
Carol A. Dillin	Vice President, Customer Strategies and Business Development
J. Jeffrey Dudley	Vice President, General Counsel, Corporate Compliance Officer and Assistant Secretary

² Effective July 6, 2014, Bruce Carpenter is retired. Larry Bekkedahl will fill this position August 25, 2014.

Campbell A. Henderson	Vice President, Information Technology, and Chief Information Officer
Stephen M. Quennoz	Vice President, Nuclear and Power Supply/Generation
W. David Robertson	Vice President, Public Policy
Kristin A. Stathis	Vice President, Customer Service Operations
Kirk M. Stevens	Controller and Assistant Treasurer
Brett C. Greene	Assistant Treasurer
Marc S. Bocci	Associate General Counsel and Corporate Secretary
Karen J. Lewis	Assistant Corporate Secretary
Cheryl Chevis	Assistant Corporate Secretary
Nora Arkonovich	Assistant Corporate Secretary

(e) *A description of the general character of the business done and to be done, and a designation of the territories served, by counties and states:* PGE is engaged, and intends to remain engaged, in the generation, purchase, transmission, distribution, and sale of electric energy for public use in Clackamas, Columbia, Hood River, Jefferson, Marion, Morrow, Multnomah, Polk, Washington, and Yamhill counties, Oregon.

(f) *A statement, as of the date of the balance sheet submitted with the application, showing for each class and series of capital stock: brief description; the amount authorized (face value and number of shares); the amount outstanding (exclusive of any amount held in the treasury); amount held as reacquired securities; amount pledged; amount owned by affiliated interests; and amount held in any fund:* The following represents PGE's stock as of June 30, 2014, the date of PGE's reporting in the most recent (10-Q):

	<u>Outstanding Shares</u>	<u>Amount (\$000s)</u>
Common Stock: *		
No Par Value	78,202,241	\$914,070
(160,000,000 shares authorized)		

* Company Directors hold 173,891 shares.

None of the outstanding shares of common stock referenced above are held as reacquired securities or have been pledged by the Applicant. Vanguard Group, Inc. held 6.93% of the outstanding PGE common stock and Black Rock Fund Advisors held 5.69% as reported in the most recent Form 13-F filed with the Securities and Exchange Commission. The most recent such report was filed with SEC by PGE on March 31, 2014. PGE does not have enough information to determine if any of these funds qualify as affiliates. PGE periodically reports major shareholder activity to OPUC Staff pursuant to OAR 860-027-0175 (AR-544).

(g) *A statement, as of the date of the balance sheet submitted with the application, showing for each class and series of long-term debt and notes: brief description (amount, interest rate and maturity); amount authorized; amount outstanding (exclusive of any amount held in the treasury); amount held as reacquired securities; amount pledged; amount held by affiliated interests; and amount in sinking and other funds:* The long-term debt as of June 30, 2014 is as follows from Exhibit E:

Description	Authorized (\$000s)	Outstanding (\$000s)
First Mortgage Bonds:		
6.26% series due 5-1-2031	100,000	100,000
6.31% series due 5-1-2036	175,000	175,000
4.74% series due 2043	75,000	75,000
MTN series due 8-11-2021 9.31%	20,000	20,000
6.75% series VI due 8-1-2023	50,000	50,000
6.875% series VI due 8-1-2033	50,000	50,000
5.80% series due 6-1-2039	170,000	170,000
5.81% series due 10-1-2037	130,000	130,000
5.80% series due 3-1-2018	75,000	75,000
6.80% series due 1-15-2016	67,000	67,000
3.46% series due 1-15-2015	70,000	70,000
3.81% series due 6-15-17	58,000	58,000
4.47% series due 6-15-44	150,000	150,000
4.74% series due 2042	105,000	105,000
4.84% series due 2048	50,000	50,000
6.10% series due 4-15-19	300,000	300,000
5.43% series due 5-03-40	<u>150,000</u>	<u>150,000</u>
Total First Mortgage Bonds	<u>1,795,000</u>	<u>1,795,000</u>
Pollution Control Bonds:		
City of Forsyth, MT		
5.45% series B 5-1-2033 ⁽¹⁾	21,000	21,000
Series A 5-1-2033, remarketed 3-11-10 at 5%	97,800	97,800
Port of Morrow, OR		
Series A 5-1-2033, remarketed 3-11-10 at 5%	23,600	23,600
Revenue Bonds Series 1996 ⁽²⁾	5,800	5,800
⁽¹⁾ This debt instrument, purchased by the Company on May 1, 2009, is currently held for possible remarketing	<u>(21,000)</u>	<u>(21,000)</u>
⁽²⁾ This debt instrument, purchased by the Company in 2008, is currently held for possible remarketing	<u>(5,800)</u>	<u>(5,800)</u>
Total Pollution Control Bonds outstanding	<u>121,400</u>	<u>121,400</u>
Other Long Term Debt:		
Term Loans		
May 12, 2014, due October 30, 2015	75,000	75,000
June 2, 2014, due October 30, 2015	75,000	75,000
June 30, 2014, due October 30, 2015	75,000	75,000
Long-Term Contracts	93	93
Unamortized Debt Discount and Other	<u>(742)</u>	<u>(742)</u>
Total Other Long-Term Debt	<u>224,351</u>	<u>224,351</u>
Total Long-Term Debt	<u>2,140,751</u>	<u>2,140,751</u>

Description	Authorized (\$000s)	Outstanding (\$000s)
Total Classified as Short-		
Term Net Long Term Debt	<u>2,140,751</u>	<u>2,140,751</u>

None of the long-term debt is pledged or held as reacquired securities, by affiliated interests, or in any fund, except as noted above.

(h) *Whether the application is for disposition of facilities by sale, lease, or otherwise, a merger or consolidation of facilities, or for mortgaging or encumbering its property, or for the acquisition of stock, bonds, or property of another utility, also a description of the consideration, if any, and the method of arriving at the amount thereof:* This application requests approval for PGE to sell a residential property in the City of Portland. For valuation purposes, an independent MAI appraiser externally inspected the vacant Property and researched general market conditions. The appraisal yielded an estimated value of the Property at \$270,000. PGE has agreed to sell the Property at the Buyer's offer of \$457,500. The book value of the Property was estimated using PGE's accounting records.

(i) *A statement and general description of facilities to be disposed of, consolidated, merged, or acquired from another utility, giving a description of their present use and of their proposed use after disposition, consolidation, merger, or acquisition. State whether the proposed disposition of facilities or plan for consolidation, merger, or acquisition includes all the operating facilities of the parties to the transaction:* The Property is a corner parcel situated at the northwest corner of the intersection of N Dana Avenue and N Hunt Street. It consists of the 14,450 square feet of land that has been decommissioned and cleared of utility power substation equipment. The Property is no longer needed for utility purposes.

(j) *A statement by primary account of the cost of the facilities and applicable depreciation reserve involved in the sale, lease, or other disposition, merger or consolidation, or acquisition of property of another utility. If original cost is not known, an estimate of original cost based, to the extent possible, upon records or data of the applicant or its predecessors must be furnished, a full explanation of the manner in which such estimate has been made, and a statement indicating where all existing data and records may be found:* The book value of the Property or transaction was determined using PGE's accounting records. The original cost of the Property was \$4,723 in 1950. A statement by primary account of the cost of the Property is included in Exhibit L.

(k) *A statement as to whether or not any application with respect to the transaction or any part thereof, is required to be filed with any federal or other state regulatory body:* No application with respect to this transaction is currently required to be filed with any federal or other state regulatory body. No other application with respect to the sale of the Property is required to be filed with any federal or state regulatory body.

(l) *The facts relied upon by applicants to show that the proposed sale, lease, assignment, or consolidation of facilities, mortgage or encumbrance of property, or acquisition of stock, bonds, or property of another utility will be consistent with the public interest:* The sale of the Property is consistent with the public interest because the Property is now surplus to PGE's needs and not necessary for serving PGE's duty to the public.

(m) *The reasons, in detail, relied upon by each applicant, or party to the application, for entering into the proposed sale, lease, assignment, merger, or consolidation of facilities, mortgage or encumbrance of property, acquisition of stock, bonds, or property of another utility, and the benefits, if any, to be derived by the customers of the applicants and the public:* See the

Background Section and paragraphs (h) and (l) above. Furthermore, customers will benefit from the deferral of the gain, with the gain to be refunded in the future.

(n) *The amount of stock, bonds, or other securities, now owned, held or controlled by applicant, of the utility from which stock or bonds are proposed to be acquired:* None.

(o) *A brief statement of franchises held, showing date of expiration if not perpetual, or, in case of transfer/sale, that transferee has the necessary franchises:* Not applicable.

II. Required Exhibits Under OAR 860-027-0025(2)

The following exhibits are submitted and by reference made a part of this application:

EXHIBIT A. *A copy of the charter or articles of incorporation with amendments to date:*

Second Amended and Restated Articles of Incorporation, effective on May 13, 2009 and previously filed in Docket UF-4264 and by reference made a part of this application.

EXHIBIT B. *A copy of the bylaws with amendments to date:* Ninth Amended and Restated

Bylaws dated November 30, 2011 and previously filed in Docket UP-278 and by reference made a part of this application.

EXHIBIT C. *Copies of all resolutions of directors authorizing the proposed disposition, merger, or consolidation of facilities, mortgage or encumbrance of property, acquisition of stock, bonds, or property of another utility, in respect to which the application is made and, if approval of stockholders has been obtained, copies of the resolutions of the stockholders should also be furnished:* Not applicable (no such resolutions were required for the sale of the Property).

EXHIBIT D. *Copies of all mortgages, trust, deeds, or indentures, securing any obligation of each party to the transaction:* None.

EXHIBIT E. *Balance sheets showing booked amounts, adjustments to record the proposed transaction and pro forma, with supporting fixed capital or plant schedules in conformity with the forms in the annual report, which applicant(s) is required, or will be required, to file with the Commission:* Balance sheet showing booked amounts, adjustments to record the proposed transactions and pro forma Balance sheets as of June 30, 2014 are attached. [electronic format]

EXHIBIT F. *A statement of all known contingent liabilities, except minor items such as damage claims and similar items involving relatively small amounts, as of December 31, 2013:* Attached. [electronic format]

EXHIBIT G. *Comparative income statements showing recorded results of operations, adjustments to record the proposed transaction and pro forma, in conformity with the form in the annual report which applicant(s) is required, or will be required, to file with the Commission, as of June 30, 2014:* Attached. [electronic format]

EXHIBIT H. *An analysis of surplus for the period covered by the income statements referred to in Exhibit G, as of June 30, 2014:* Attached. [electronic format]

EXHIBIT I. *A copy of each contract in respect to the sale, lease or other proposed disposition, merger or consolidation of facilities, acquisition of stock, bonds, or property of another utility, as the case may be, with copies of all other written instruments entered into or proposed to be entered into by the parties to the transaction pertaining thereto:* See attached Exhibits I-1 and I-2. [electronic format]

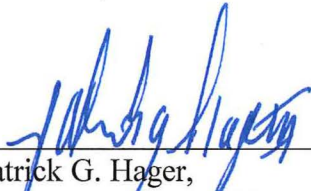
EXHIBIT J. *A copy of each proposed journal entry to be used to record the transaction upon each applicant's books:* Attached. [electronic format]

EXHIBIT K. A copy of each supporting schedule showing the benefits, if any, which each applicant relies upon to support the facts as required by subsection (1)(l) of this rule and the reasons as required by subsection (1)(m) of this rule: Not applicable.

EXHIBIT L. Statement by primary account of the Cost of the Property. Attached. [electronic format]

Dated August 5, 2014.

Respectfully Submitted,



Patrick G. Hager,
Manager, Regulatory Affairs
On Behalf of Portland General Electric Company
121 SW Salmon Street, 1WTC-0702
Portland, Oregon 97204
Phone: (503) 464-7580
E-Mail: patrick.hager@pgn.com
Facsimile: (503) 464-7651

Exhibit "F"
Statement of Contingent Liabilities
As of June 30, 2014

PGE is subject to legal, regulatory, and environmental proceedings, investigations, and claims that arise from time to time in the ordinary course of its business. Contingencies are evaluated using the best information available at the time the consolidated financial statements are prepared. Legal costs incurred in connection with loss contingencies are expensed as incurred. The Company may seek regulatory recovery of certain costs that are incurred in connection with such matters, although there can be no assurance that such recovery would be granted.

Loss contingencies are accrued, and disclosed if material, when it is probable that an asset has been impaired or a liability incurred as of the financial statement date and the amount of the loss can be reasonably estimated. If a reasonable estimate of probable loss cannot be determined, a range of loss may be established, in which case the minimum amount in the range is accrued, unless some other amount within the range appears to be a better estimate.

A loss contingency will also be disclosed when it is reasonably possible that an asset has been impaired or a liability incurred if the estimate or range of potential loss is material. If a probable or reasonably possible loss cannot be reasonably estimated, then the Company: i) discloses an estimate of such loss or the range of such loss, if the Company is able to determine such an estimate; or ii) discloses that an estimate cannot be made.

If an asset has been impaired or a liability incurred after the financial statement date, but prior to the issuance of the financial statements, the loss contingency is disclosed, if material, and the amount of any estimated loss is recorded in the subsequent reporting period.

The Company evaluates, on a quarterly basis, developments in such matters that could affect the amount of any accrual, as well as the likelihood of developments that would make a loss contingency both probable and reasonably estimable. The assessment as to whether a loss is probable or reasonably possible, and as to whether such loss or a range of such loss is estimable, often involves a series of complex judgments about future events. Management is often unable to estimate a reasonably possible loss, or a range of loss, particularly in cases in which: i) the damages sought are indeterminate or the basis for the damages claimed is not clear; ii) the proceedings are in the early stages; iii) discovery is not complete; iv) the matters involve novel or unsettled legal theories; v) there are significant facts in dispute; vi) there are a large number of parties (including where it is uncertain how liability, if any, will be shared among multiple defendants); or vii) there is a wide range of potential outcomes. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution, including any possible loss, fine, penalty, or business impact.

Trojan Investment Recovery

Regulatory Proceedings. In 1993, PGE closed the Trojan nuclear power plant (Trojan) and sought full recovery of, and a rate of return on, its Trojan costs in a general rate case filing with the OPUC. In 1995, the OPUC issued a general rate order that granted the Company recovery of, and a rate of return on, 87% of its remaining investment in Trojan.

Numerous challenges and appeals were subsequently filed in various state courts on the issue of the OPUC's authority under Oregon law to grant recovery of, and a return on, the Trojan investment. In 1998, the Oregon Court of Appeals upheld the OPUC's order authorizing PGE's recovery of the Trojan investment, but held

that the OPUC did not have the authority to allow the Company to recover a return on the Trojan investment and remanded the case to the OPUC for reconsideration.

In 2000, PGE entered into agreements to settle the litigation related to recovery of, and return on, its investment in Trojan. The settlement, which was approved by the OPUC, allowed PGE to remove from its balance sheet the remaining investment in Trojan as of September 30, 2000, along with several largely offsetting regulatory liabilities. After offsetting the investment in Trojan with these liabilities, the remaining Trojan regulatory asset balance of approximately \$5 million (after tax) was expensed. As a result of the settlement, PGE's investment in Trojan was no longer included in prices charged to customers, either through a return of or a return on that investment. The Utility Reform Project (URP) did not participate in the settlement and filed a complaint with the OPUC challenging the settlement agreements. In 2002, the OPUC issued an order (2002 Order) denying all of the URP's challenges. In 2007, following several appeals by various parties, the Oregon Court of Appeals issued an opinion that remanded the 2002 Order to the OPUC for reconsideration.

The OPUC then issued an order in 2008 (2008 Order) that required PGE to provide refunds, including interest from September 30, 2000, to customers who received service from the Company during the period from October 1, 2000 to September 30, 2001. The Company recorded a charge of \$33.1 million in 2008 related to the refund and accrued additional interest expense on the liability until refunds to customers were completed in the first quarter of 2010. The URP and the plaintiffs in the class actions described below separately appealed the 2008 Order to the Oregon Court of Appeals. On February 6, 2013, the Oregon Court of Appeals issued an opinion that upheld the 2008 Order. On May 31, 2013, the Court of Appeals denied the appellants' request for reconsideration of the decision. On October 18, 2013, the Oregon Supreme Court granted plaintiffs' petition seeking review of the February 6, 2013 Oregon Court of Appeals decision. Oral argument occurred in March 2014 and the parties now await a Court decision.

Class Actions. In two separate legal proceedings, lawsuits were filed in Marion County Circuit Court against PGE in 2003 on behalf of two classes of electric service customers. The class action lawsuits seek damages totaling \$260 million, plus interest, as a result of the Company's inclusion, in prices charged to customers, of a return on its investment in Trojan.

In 2006, the Oregon Supreme Court issued a ruling ordering the abatement of the class action proceedings until the OPUC responded to the 2002 Order (described above). The Oregon Supreme Court concluded that the OPUC has primary jurisdiction to determine what, if any, remedy can be offered to PGE customers, through price reductions or refunds, for any amount of return on the Trojan investment that the Company collected in prices.

The Oregon Supreme Court further stated that if the OPUC determined that it can provide a remedy to PGE's customers, then the class action proceedings may become moot in whole or in part. The Oregon Supreme Court added that, if the OPUC determined that it cannot provide a remedy, the court system may have a role to play. The Oregon Supreme Court also ruled that the plaintiffs retain the right to return to the Marion County Circuit Court for disposition of whatever issues remain unresolved from the remanded OPUC proceedings. The Marion County Circuit Court subsequently abated the class actions in response to the ruling of the Oregon Supreme Court.

As noted above, on February 6, 2013, the Oregon Court of Appeals upheld the 2008 Order. Because the Oregon Supreme Court has granted the plaintiffs' petition seeking review of that decision, and the class actions described above remain pending, management believes that it is reasonably possible that the regulatory proceedings and class actions could result in a loss to the Company in excess of the amounts previously recorded and discussed above. Because these matters involve unsettled legal theories and have a

broad range of potential outcomes, sufficient information is currently not available to determine PGE's potential liability, if any, or to estimate a range of potential loss.

Pacific Northwest Refund Proceeding

In 2001, the FERC called for a hearing to explore whether there may have been unjust and unreasonable charges for spot market sales of electricity in the Pacific Northwest from December 25, 2000 through June 20, 2001 (Pacific Northwest Refund proceeding). During that period, PGE both sold and purchased electricity in the Pacific Northwest. In 2003, the FERC issued an order terminating the proceeding and denying the claims for refunds. Upon appeal of the decision to the U.S. Ninth Circuit Court of Appeals (Ninth Circuit) the Court remanded the case to the FERC to, among other things, address market manipulation evidence in detail and account for the evidence in any future orders regarding the award or denial of refunds in the proceedings.

In October 2011, the FERC issued an Order on Remand, establishing an evidentiary hearing to determine whether any seller had engaged in unlawful market activity in the Pacific Northwest spot markets during the December 25, 2000 through June 20, 2001 period by violating specific contracts or tariffs, and, if so, whether a direct connection existed between the alleged unlawful conduct and the rate charged under the applicable contract. The FERC held that the Mobile-Sierra public interest standard governs challenges to the bilateral contracts at issue in this proceeding, and the strong presumption under Mobile-Sierra that the rates charged under each contract are just and reasonable would have to be specifically overcome before a refund could be ordered. The FERC directed the presiding judge, if necessary, to determine a refund methodology and to calculate refunds, but held that a market-wide remedy was not appropriate, given the bilateral contract nature of the Pacific Northwest spot markets.

In December 2012, the FERC issued an order clarifying that the Mobile-Sierra presumption could be overcome either by: i) a showing that a respondent had violated a contract or tariff and that the violation had a direct connection to the rate charged under the applicable contract; or ii) a showing that the contract rate at issue imposed an excessive burden or seriously harmed the public interest.

On April 5, 2013, the FERC granted rehearing of its Order on Remand on the issue of the appropriate refund period, holding that parties could pursue refunds for transactions between January 1, 2000 and December 24, 2000 under Section 309 of the Federal Power Act by showing violations of a filed tariff or rate schedule or of a statutory requirement. Refund claimants have filed petitions for appeal of the Order on Remand and the Order on Rehearing with the Ninth Circuit.

In its October 2011 Order on Remand, the FERC ordered settlement discussions to be convened before a FERC settlement judge. Pursuant to the settlement proceedings, the Company received notice of two claims and reached agreements to settle both claims for an immaterial amount. The FERC approved both settlements during 2012.

Additionally, the settlement between PGE and certain other parties in the California refund case in Docket No. EL00-95, et seq., approved by the FERC in May 2007, resolved all claims between PGE and the California parties named in the settlement, including the California Energy Resource Scheduling division of the California Department of Water Resources (CERS), as to transactions in the Pacific Northwest during the settlement period, January 1, 2000 through June 20, 2001, but did not settle potential claims from other market participants relating to transactions in the Pacific Northwest.

The above-referenced settlements resulted in a release for the Company as a named respondent in the first phase of the remand proceedings, which are limited to initial and direct claims for refunds, but there remains

a possibility that additional claims related to this matter could be asserted against the Company in a subsequent phase of the proceeding if refunds are ordered against some or all of the current respondents.

During the first phase of the remand hearing, now completed, two sets of refund proponents, the City of Seattle, Washington (Seattle) and various California parties on behalf of CERS, presented cases alleging that multiple respondents had engaged in unlawful activities and caused severe financial harm that justified the imposition of refunds. After conclusion of the hearing, the presiding Administrative Law Judge issued an Initial Decision on March 28, 2014 finding: i) that Seattle did not carry its Mobile-Sierra burden with respect to its refund claims against any of its respondent sellers; and ii) that the California representatives of CERS did not carry their Mobile-Sierra burden with respect to one of CERS' respondents, but did find evidence of unlawful activity in the implementation of multiple transactions and bad faith in the formation of as many as 119 contracts by the last remaining CERS respondent. The Administrative Law Judge scheduled a second phase of the hearing to commence after a final FERC decision on the Initial Decision. In the second phase, the last respondent will have an opportunity to produce additional evidence as to why its transactions should be considered legitimate and why refunds should not be ordered. If the FERC requires one or more respondents to make refunds, it is possible that such respondent(s) will attempt to recover similar refunds from their suppliers, including the Company.

Management believes that this matter could result in a loss to the Company in future proceedings. However, management cannot predict whether the FERC will order refunds from any of the current respondents, which contracts would be subject to refunds, the basis on which refunds would be ordered, or how such refunds, if any, would be calculated. Further, management cannot predict whether any current respondents, if ordered to make refunds, will pursue additional refund claims against their suppliers, and, if so, what the basis or amounts of such potential refund claims against the Company would be. Due to these uncertainties, sufficient information is currently not available to determine PGE's liability, if any, or to estimate a range of reasonably possible loss.

EPA Investigation of Portland Harbor

A 1997 investigation by the United States Environmental Protection Agency (EPA) of a segment of the Willamette River known as Portland Harbor revealed significant contamination of river sediments. The EPA subsequently included Portland Harbor on the National Priority List pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) as a federal Superfund site and listed 69 Potentially Responsible Parties (PRPs). PGE was included among the PRPs as it has historically owned or operated property near the river. In January 2008, the EPA requested information from various parties, including PGE, concerning additional properties in or near the original segment of the river under investigation as well as several miles beyond. Subsequently, the EPA has listed additional PRPs, which now number over one hundred.

The Portland Harbor site is currently undergoing a remedial investigation (RI) and feasibility study (FS) pursuant to an Administrative Order on Consent (AOC) between the EPA and several PRPs known as the Lower Willamette Group (LWG), which does not include PGE.

In March 2012, the LWG submitted a draft FS to the EPA for review and approval. The draft FS, along with the RI, provide the framework for the EPA to determine a clean-up remedy for Portland Harbor that will be documented in a Record of Decision, which the EPA is not expected to issue before 2017.

The draft FS evaluates several alternative clean-up approaches. These approaches would take from two to 28 years with costs ranging from \$169 million to \$1.8 billion, depending on the selected remedial action levels and the choice of remedy. The draft FS does not address responsibility for the costs of clean-up, allocate such

costs among PRPs, or define precise boundaries for the clean-up. Responsibility for funding and implementing the EPA's selected clean-up will be determined after the issuance of the Record of Decision.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to the uncertainties discussed above, sufficient information is currently not available to determine PGE's liability for the cost of any required investigation or remediation of the Portland Harbor site or to estimate a range of potential loss.

DEQ Investigation of Downtown Reach

The Oregon Department of Environmental Quality (DEQ) has executed a memorandum of understanding with the EPA to administer and enforce clean-up activities for portions of the Willamette River that are upriver from the Portland Harbor Superfund site (the Downtown Reach). In January 2010, the DEQ issued an order requiring PGE to perform an investigation of certain portions of the Downtown Reach. PGE completed this investigation in December 2011 and entered into a consent order with the DEQ in July 2012 to conduct a feasibility study of alternatives for remedial action for the portions of the Downtown Reach that were included within the scope of PGE's investigation. The draft feasibility study report, which describes possible remediation alternatives that range in estimated cost from \$3 million to \$8 million, was submitted to the DEQ in February 2014. Using the Company's best estimate of the probable cost for the remediation effort from the set of alternatives provided in the draft feasibility study report, PGE has a \$3 million reserve for this matter as of June 30, 2014.

Based on the available evidence of previous rate recovery of incurred environmental remediation costs for PGE, as well as for other utilities operating within the same jurisdiction, the Company has concluded that the estimated cost of \$3 million to remediate the Downtown Reach is probable of recovery. As a result, the Company also has a regulatory asset of \$3 million for future recovery in prices as of June 30, 2014. The Company included recovery of the regulatory asset in its 2015 General Rate Case filed with the OPUC in February 2014.

Alleged Violation of Environmental Regulations at Colstrip

On July 30, 2012, PGE received a Notice of Intent to Sue (Notice) for violations of the Clean Air Act (CAA) at Colstrip Steam Electric Station (CSES) from counsel on behalf of the Sierra Club and the Montana Environmental Information Center (MEIC). The Notice was also addressed to the other CSES co-owners, including PPL Montana, LLC, the operator of CSES. PGE has a 20% ownership interest in Units 3 and 4 of CSES. The Notice alleges certain violations of the CAA, including New Source Review, Title V, and opacity requirements, and states that the Sierra Club and MEIC will: i) request a United States District Court to impose injunctive relief and civil penalties; ii) require a beneficial environmental project in the areas affected by the alleged air pollution; and iii) seek reimbursement of Sierra Club's and MEIC's costs of litigation and attorney's fees.

The Sierra Club and MEIC asserted that the CSES owners violated the Title V air quality operating permit during portions of 2008 and 2009 and that the owners have violated the CAA by failing to timely submit a complete air quality operating permit application to the Montana Department of Environmental Quality (MDEQ). The Sierra Club and MEIC also asserted violations of opacity provisions of the CAA.

On March 6, 2013, the Sierra Club and MEIC sued the CSES co-owners, including PGE, for these and additional alleged violations of various environmental related regulations. The plaintiffs are seeking relief that includes an injunction preventing the co-owners from operating CSES except in accordance with the CAA, the Montana State Implementation Plan, and the plant's federally enforceable air quality permits. In

addition, plaintiffs are seeking civil penalties against the co-owners including \$32,500 per day for each violation occurring through January 12, 2009, and \$37,500 per day for each violation occurring thereafter.

In September 2013, the plaintiffs filed an amended complaint that withdrew Title V and opacity claims, added claims associated with two 2011 projects, and expanded the scope of certain claims to encompass approximately forty additional projects. The CSES co-owners have filed a motion to dismiss all of the claims in the amended complaint. In April 2014, the parties entered into an agreement under which, following the court's decision on the motion to dismiss, plaintiffs will move to amend the complaint to limit the scope of the claims to thirteen projects. On May 22, 2014, the federal magistrate judge issued a recommendation to deny most of the motion to dismiss. The parties are awaiting a final decision on the motion to dismiss. This matter is scheduled for trial in June 2015.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to the uncertainties concerning this matter, PGE cannot predict the outcome or determine whether it would have a material impact on the Company.

Challenge to AOC Related to Colstrip Wastewater Facilities

In August 2012, the operator of CSES entered into an AOC with the MDEQ, which established a comprehensive process to investigate and remediate groundwater seepage impacts related to the wastewater facilities at CSES. Within five years, under this AOC, the operator of CSES is required to provide financial assurance to MDEQ for the costs associated with closure of the waste water treatment facilities. This will establish an obligation for asset retirement, but the operator of CSES is unable at this time to estimate these costs, which will require both public and agency review.

In September 2012, Earthjustice filed an affidavit pursuant to Montana's Major Facility Siting Act (MFSA) that sought review of the AOC by Montana's Board of Environmental Review (BER), on behalf of environmental groups Sierra Club, the MEIC, and the National Wildlife Federation. In September 2012, the operator of CSES filed an election with the BER to have this proceeding conducted in Montana state district court as contemplated by the MFSA. In October 2012, Earthjustice, on behalf of Sierra Club, the MEIC and the National Wildlife Federation, filed with the Montana state district court a petition for a writ of mandamus and a complaint for declaratory relief alleging that the AOC fails to require the necessary actions under the MFSA and the Montana Water Quality Act with respect to groundwater seepage from the wastewater facilities at CSES. On May 31, 2013, the district court judge granted the defendants' motion to dismiss the petition for the writ of mandamus.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to the uncertainties concerning this matter, PGE cannot predict the outcome or determine whether it would have a material impact on the Company.

Oregon Tax Court Ruling

On September 17, 2012, the Oregon Tax Court issued a ruling contrary to an Oregon Department of Revenue (DOR) interpretation and a current Oregon administrative rule, regarding the treatment of wholesale electricity sales. The underlying issue is whether electricity should be treated as tangible or intangible property for state income tax apportionment purposes. The DOR has appealed the ruling of the Oregon Tax Court to the Oregon Supreme Court. It is uncertain whether the ruling will be upheld. Oral argument occurred in May 2014 and the parties now await a Court decision.

If the ruling is upheld, PGE estimates that its income tax liability could increase by as much as \$7 million due to an increase in the tax rate at which deferred tax liabilities would be recognized in future years. For open tax years per Oregon statute, 2008 through 2012, the Company entered into a closing agreement with the DOR during the third quarter 2013 under which the DOR agreed to the tax apportionment methodology utilized on the tax returns relating to those years.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to the uncertainties concerning this matter, PGE cannot predict the outcome.

Other Matters

PGE is subject to other regulatory, environmental, and legal proceedings, investigations, and claims that arise from time to time in the ordinary course of business, which may result in judgments against the Company. Although management currently believes that resolution of such matters, individually and in the aggregate, will not have a material impact on its financial position, results of operations, or cash flows, these matters are subject to inherent uncertainties, and management's view of these matters may change in the future.

FIRST ADDENDUM TO AGREEMENT OF PURCHASE AND SALE

THIS ADDENDUM relates to that certain Agreement of Purchase and Sale dated by Purchaser as of the 30th day of May, 2014 ("Sale Agreement"), by and between PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation ("PGE") and BRIDGE MEADOWS, an Oregon nonprofit public benefit corporation ("Purchaser"), (collectively, "Party or Parties"), and relating to that certain real property described in the Sale Agreement.

This Addendum supplements and supersedes said Sale Agreement and, except as specifically modified herein, the Sale Agreement remains in full force and effect. For value received, the parties hereby agree as follows:

- 1. Purchase Price.** The Purchase Price for the Property is Four Hundred Fifty Seven Thousand Five Hundred Dollars (\$457,500.00). Purchaser shall receive a credit against the Purchase Price, at Closing, in an amount equal to Three Percent (3%) of the Purchase Price.
- 2. Effective Date & Escrow.** The Effective Date of the Sale Agreement is June 30, 2014. PGE shall open the Escrow with Chicago Title Company on or before the 17th day of July, 2014. PGE shall submit a request for OPUC approval not later than August 15, 2014.
- 3. Inspection Period.** Purchaser has completed Purchaser's environmental inspection of the Property and hereby waives Purchaser's Inspection Period and Purchaser's right to terminate the Sale Agreement pursuant to Section 5.1 of the Sale Agreement.
- 4. OPUC Approval.** PGE's obligation to sell the Property remains subject to and conditioned upon PGE receiving the written approval of the OPUC upon terms and conditions acceptable to PGE on or before the 31st day of October, 2014.
- 5. Third Parties.** Nothing contained herein nor the transaction contemplated hereby, express or implied, shall be deemed to inure to the benefit of any person or entity not a party to this Addendum and the Sale Agreement, nor shall it confer upon any such person or entity any right or remedy of any nature whatsoever.
- 6. Entire Agreement.** The Sale Agreement, as modified by this Addendum, constitutes the entire and exclusive agreement by PGE and the Purchaser relative to the sale of the Property. Capitalized terms not defined herein shall have the same meaning as set forth in the Sale Agreement. In the event of any conflict between any other part of the Sale Agreement and this Addendum, the terms and conditions of this Addendum shall control. To the extent that this Addendum may have been executed following any effective dates set forth herein, said effective dates are hereby ratified, confirmed, and approved. This Addendum may be executed in counterparts, and such counterparts together shall constitute but one original of the Addendum. Each counterpart shall be equally admissible in evidence, and each original shall fully bind each party who has executed it.

PGE:

PORTLAND GENERAL ELECTRIC COMPANY
an Oregon Corporation

By: 

Name: JAMES F. LORDSELL

Title: SVP FINANCE, CFO, TREASURER

Address: 121 SW Salmon Street
Portland, Oregon 97204-9891

Purchaser:

BRIDGE MEADOWS,
an Oregon nonprofit public benefit
corporation

By: 

Name: Derenda Schubert, PhD

Title: Executive Director

Address: 8502 N Wayland Avenue
Portland, Oregon 97203
Attn: Derenda Schubert

EXECUTION COPY

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (the "Agreement") is made and entered into as of the last date of signature indicated below (the "Effective Date"), by and between **Portland General Electric Company**, an Oregon corporation ("PGE" or "Seller"), and **Bridge Meadows**, an Oregon nonprofit public benefit corporation (the "Purchaser"). Both PGE and Purchaser are sometimes referred to as "**Parties**" or separately as "**Party**."

RECITALS

A. PGE is the owner of a parcel of real property generally known as the Dana Substation Property, located at 8710 N Dana Avenue, Portland, Multnomah County, Oregon 97203, as more specifically described and depicted in **Exhibit A** attached hereto and incorporated herein by this reference, together with the improvements thereon, and any and all rights appurtenant thereto owned by PGE, including, roads, alleys, easements, streets and ways adjacent to such real property, rights of ingress and egress thereto, any strips and gores within or bounding such real property, profits or rights pertaining to such property, and minerals, air, water and development rights (collectively, the "**Property**").

B. Pursuant to a solicitation for bids conducted by PGE, PGE has determined that the Purchaser's bid provides adequate consideration for the sale of the Property and that the sale of the Property and its intended use by the Purchaser are in the public interest. This Agreement is being entered into pursuant to the terms of Purchaser's bid.

C. Purchaser desires to purchase from PGE, and PGE desires to sell and convey to Purchaser, the Property subject to the terms and conditions of this Agreement.

NOW THEREFORE, FOR VALUABLE CONSIDERATION, the current receipt, reasonable equivalence, and sufficiency of which are hereby acknowledged by PGE and by Purchaser, the Parties each hereby agree as follows:

1. **Purchase and Sale.** PGE agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from PGE, the Property upon the terms and conditions set forth in this Agreement. Prior to Closing (as defined in Section 7.1 below) PGE may identify such personal property and/or fixtures that it desires to remove from the Property.

2. **Purchase Price.** The purchase price for the Property shall be Four Hundred Thirty-Seven Thousand Dollars (\$437,000.00) (the "**Purchase Price**"). The Purchase Price shall be paid by Purchaser at Closing in cash.

3. **Earnest Money Deposit.** Within five (5) business days after the Effective Date, Purchaser shall open an escrow (the "**Escrow**") with Chicago Title Insurance Company, 1211 SW Fifth Avenue Suite 2130, Portland, Oregon 97204 (the "**Title Company**"), Attn: Ms. Kelly Norton, and deliver therein a sum equal to five percent (5%) of the Purchase Price as earnest money ("**Earnest Money**"). The Earnest Money shall be applied to the payment of the Purchase Price at Closing. Any interest earned on the Earnest Money shall be considered to be part of the Earnest Money.

4. **Condition of Title.** Within ten (10) days after the opening of Escrow, PGE shall cause the Title Company to furnish to Purchaser a preliminary title report showing the condition of title to the Property, together with copies of all exceptions listed therein (the “**Title Report**”). Purchaser shall have five (5) business days to accept the Title Report or give notice of any objection (“**Title Objection Notice**”). If Purchaser does not object, Purchaser shall be deemed to accept title to the Property at Closing subject to all covenants, encumbrances, exceptions, conditions, restrictions and/or easements of record as of the Effective Date and shown on the Title Report, including without limitation all zoning ordinances, building restrictions, taxes due and payable for the current tax year (subject to proration as provided herein), reservations in federal patents and state deeds, and exceptions shown on any recorded plat or survey, but excluding any liens created or suffered by PGE securing the payment of a sum of money or any obligation that by its terms can only be performed by PGE (the “**Permitted Exceptions**”). PGE shall not create or suffer any new exceptions to title after the Effective Date without the prior consent of Purchaser. PGE shall cause any title exceptions that are not Permitted Exceptions to be removed at or prior to Closing.

4.1 **Mortgage Indenture.** Notwithstanding anything to the contrary contained herein, the Parties understand and agree that the Property is encumbered by that certain Indenture of Mortgage and Deed of Trust dated July 1, 1945, as supplemented, modified and/or replaced in whole or in part, and in effect from time to time from Portland General Electric Company to HSBC Bank USA (f/k/a) Midland Bank, N.A., and/or its successor or assigns (the “**Mortgage Indenture**”). The lien of the Mortgage Indenture will be released subsequent to Closing; however, prior to Closing PGE will cause the Title Company to remove the interest as an exception to the insured title obtained by Purchaser in a manner acceptable to Purchaser in the exercise of Purchaser’s reasonable discretion. The existence of the lien of the Mortgage Indenture of record at Closing shall not constitute a default by PGE under the terms of this Agreement, so long as PGE causes the Title Company to issue the Title Policy (as defined in Section 7.5 below) without listing the encumbrance of the Mortgage Indenture as an exception to Purchaser’s insured title (as more particularly described in Section 7.5 below). In addition, PGE will defend, indemnify and hold Purchaser harmless from any claim by the holder of the Mortgage Indenture.

5. **Condition of the Property.**

5.1 *Environmental Inspection.* Purchaser acknowledges that it has had the opportunity to inspect the Property and otherwise satisfy itself with respect to the condition of the Property prior to submitting its bid, except as to the environmental condition of the Property. Purchaser acknowledges, however, that Seller has provided to Purchaser that certain Restoration Action Report dated October 21, 2013 related to the environmental condition of the Property, attached as **Exhibit B** hereto and incorporated by this reference herein. For a period of sixty (60) days after the Effective Date (the “**Inspection Period**”), Purchaser may access the Property to review the environmental condition thereof, which may include the preparation of Phase I and Phase II Environmental Site Assessments consistent with the requirements of ASTM 1527-05 or -13, all at Purchaser’s sole cost and expense. Purchaser shall not perform any invasive testing or sampling of the Property without the prior written consent of the Seller, and, in connection with any such testing plan. Seller may require Purchaser to execute a Release and Indemnification Agreement (in a form and substance acceptable to PGE) in favor of PGE and may be required to

provide proof of insurance acceptable to PGE. Seller represents and warrants that it has provided Purchaser with true and complete copies of all reports and assessments related to the environmental condition of the Property that are in the possession of the Seller. If Purchaser is not satisfied in its sole discretion with the results of such inspections and determinations, Purchaser may terminate this Agreement by written notice to PGE given at any time prior to expiration of the Inspection Period, in which case the Earnest Money shall be returned to Purchaser and this Agreement shall be null and void. If Purchaser does not terminate this Agreement pursuant to this Section 5.1 Purchaser's Earnest Money deposit shall be non-refundable.

5.2 *AS-IS Condition.* If Purchaser does not terminate this Agreement pursuant to Section 5.1, then Purchaser:

a. shall be deemed to have accepted the Property on the basis of its own examination and personal knowledge thereof; and

b. acknowledges and agrees that, except as expressly set forth in **Exhibit B** hereto and in Section 12 below (i) PGE and PGE's agents have made no representations, warranties or other agreements concerning matters relating to the condition of the Property, (ii) PGE and PGE's agents have made no agreement or promise to alter, repair or improve the Property, and (iii) Purchaser takes the Property in the condition, known or unknown, with all defects, existing at the time of this Agreement, "*AS IS: WHERE IS*", with all faults, latent and patent, known and unknown, without warranty of any kind or nature, whether statutory, written, oral, express or implied (including without limitation, warranties of merchantability and fitness for a particular purpose, title or non-infringement or any representation or warranty arising by usage of trade, course of dealing or usage or trade or course of performance).

5.3 *Due Diligence Materials.* If Purchaser does not terminate this Agreement pursuant to Section 5.1, and the transaction set forth in this Agreement fails to close for any reason other than a default by PGE, then in addition to any other remedies that may be available to PGE, Purchaser shall provide PGE with copies of all information and reports regarding the Property developed by Purchaser pursuant to this Section 5, at no cost to PGE; provided, however, that Purchaser shall have no obligation to have such information or reports certified to PGE.

5.4 *No Economic Representations or Warranties.* Purchaser acknowledges and agrees that profit or loss with respect to the Property is dependent on many variables including, without limitation, management, economic conditions, and cost of operations, and Purchaser is relying on Purchaser's own abilities and financial resources, and that Purchaser is not in any way relying upon any representations or warranties by PGE or PGE's agents as to the economic feasibility of any existing or proposed use of the Property. PGE also makes no representation or warranty whatsoever that Purchaser's desired use of the Property is in compliance with, or can be brought into compliance with, applicable zoning and land use laws and regulations.

6. **PGE Contingencies.** PGE's obligation to sell the Property is subject to and conditioned upon the satisfaction of the following conditions precedent. These conditions are intended solely for PGE's benefit and PGE shall have the sole right and discretion to waive, by written notice, any of the conditions. In the event any condition is not satisfied or waived on or before the date of Closing, or such other date(s) as may be specified herein, PGE shall have the right to terminate this Agreement without further obligation to Purchaser or to any person or entity claiming by or through Purchaser by written notice to Purchaser, in which event the entire Earnest Money shall be returned to Purchaser within ten (10) days of the date of the notice.

6.1 PGE receiving written approval of this transaction from PGE's Senior Management on or before the 15th day of May, 2014.

6.2 PGE receiving the written approval of the Oregon Public Utility Commission upon terms and conditions acceptable to PGE on or before the 30th day of September, 2014.

In the event any of the conditions set forth herein are not timely satisfied or waived by PGE: (1) this Agreement, the escrow, and the rights and obligations of Purchaser and the Seller shall terminate, except as otherwise provided herein; and (2) the Title Company is hereby instructed to promptly return THE Earnest Money deposit to Purchaser and to PGE and Purchaser all other funds and documents deposited by them, respectively, in escrow that are held by the Title Company on the date of the termination.

7. **Closing.**

7.1 *Time and Place.* The Parties acknowledge that PGE's sale of the Property requires the approval of the Oregon Public Utility Commission ("OPUC"). PGE shall request OPUC approval at such time as PGE deems it appropriate to do so but in no event later than July 15, 2014 and thereafter shall pursue such approval with commercially reasonable diligence. The transaction shall close (the "**Closing Date**" or "**Closing**") at the office of the Title Company on a date mutually acceptable to the Parties that is no later than the later of (a) thirty (30) days following notice to Purchaser of PGE's receipt of OPUC approval or (b) November 14, 2014. PGE shall deliver exclusive possession of the Property to Purchaser at Closing.

7.2 *Deed.* At Closing PGE shall convey fee simple title to the Property to Purchaser by statutory special warranty deed, free and clear of all liens, encumbrances and restrictions other than the Permitted Exceptions (the "**Deed**"); provided, however, the lien of the Mortgage Indenture may encumber the Property at the time of Closing so long as the Title Company has agreed to insure over the lien of the Mortgage Indenture as described in Section 4.1 above.

7.3 *Personal Property.* Prior to Closing, PGE shall remove all personal property and fixtures from the Property. All title and interest to any personal property remaining on the Property as of the Closing Date shall be vested in Purchaser.

7.4 *Purchaser's Closing Conditions.* In addition to the conditions to Closing described in Sections 4 and 5, the obligations of Purchaser hereunder shall be subject to the

fulfillment of the following conditions on or prior to the Closing Date, each of which shall be continuous conditions until Closing unless waived by Purchaser:

- a. The representations and warranties of PGE contained in this Agreement shall be true and correct as of the Closing Date as though made at the Closing Date.
- b. The Property shall be vacant and free of occupants other than PGE.
- c. The Title Company shall be irrevocably committed to issue to Purchaser the Title Policy (as defined in Section 7.5 below).
- d. The Property shall not violate any law, code, ordinance, resolution, order, decree, rule, ruling, regulation or the like issued or promulgated by any governmental or quasi-governmental authority, or any insurance carrier or insurance industry association, which violation would have a material adverse effect on the value, use or economics of the Property.
- e. There shall have been no litigation, suit or other formal legal or administrative proceeding or investigation against the Property or PGE which, if determined adversely, would materially adversely affect the Property or the validity of any action to be taken by PGE hereunder.

7.5 At Closing, the Title Company shall issue to Purchaser an ALTA (2006) extended coverage owner's policy of title insurance in form and including such endorsements as the Purchaser may reasonably require, insuring Purchaser as the owner of the Property in the amount of the Purchase Price (the "**Title Policy**"), which Title Policy shall be subject only to Permitted Exceptions and not subject to the Mortgage Indenture or any other exception required to be omitted from the Title Policy pursuant to a Title Objection Notice.

7.6 *PGE's Closing Conditions.* The obligations of PGE hereunder shall be subject to the fulfillment of the following conditions on or prior to the Closing Date, each of which shall be continuous conditions until Closing unless waived by PGE:

- a. The representations and warranties of Purchaser contained in this Agreement shall be true and correct as of the Closing Date.
- b. OPUC shall have approved the sale of the Property on terms and conditions acceptable to PGE in its commercially reasonable discretion.

7.7 *Closing Without Fulfillment of Conditions.* If the transaction described in this Agreement closes, any Closing condition not fulfilled shall be deemed waived.

8. **Closing Deliveries.**

8.1 *By PGE.* On or before the Closing Date, PGE shall deliver the following into Escrow, fully executed and acknowledged as appropriate:

- a. The Deed.
- b. A certificate that PGE is not a “foreign person” as defined in Section 1445 of the Internal Revenue Code
- c. A bill of sale, if any personal property is being conveyed to Purchaser at Closing pursuant to Section 6.3.
- d. Such other documents and items reasonably required by the Title Company to close the sale in accordance with this Agreement.

8.2 *By Purchaser.* On or before the Closing Date, Purchaser shall deliver the following into Escrow, fully executed and acknowledged as appropriate:

- a. The unpaid and outstanding balance of the Purchase Price and all other funds required from Purchaser to close the transaction.
- b. Such other documents and items reasonably required by the Title Company to close the sale in accordance with this Agreement.

9. **Closing Costs.** Purchaser shall pay all escrow fees and costs, the cost of recording the Deed, the premium for any title policy in favor of Purchaser, and all conveyance, excise, and/or transfer taxes payable by reason of the purchase and sale of the Property. Except for Permitted Exceptions, PGE shall pay the cost to remove any title exceptions pursuant to Section 4. If Purchaser desires extended title insurance coverage, Purchaser shall be responsible for any additional expense associated therewith, including without limitation any costs or expenses incurred by PGE. Purchaser and PGE shall each pay its own legal and professional fees of other consultants incurred by Purchaser and PGE, respectively, in connection with this transaction.

10. **Taxes.** Real property taxes for the Property shall be prorated as of the Closing Date. The Parties understand and agree that property taxes on PGE’s property interests are centrally assessed and that the Title Company, with the reasonable review and approval of PGE and Purchaser, shall make a reasonable allocation thereof to the Property for proration purposes as of Closing. Any taxes or additional penalties that would be due as a result of removal of any of the Property from any tax deferral or special use assessment program will be paid by PGE, and PGE shall hold Purchaser completely harmless therefrom.

11. **Environmental Indemnity and Release.**

11.1 *Indemnity and Release by Purchaser.* Purchaser or, if this Agreement is assigned in accordance with Section 17.4, Purchaser’s Assignee shall be responsible for and shall indemnify, defend, and hold PGE, its successors, affiliates, officers, directors, agents, employees, and assigns harmless for, from and against all Claims and Damages arising out of or related to the environmental condition of the Property, whether known or unknown and whether or not existing as of the Effective Date or the Closing Date. Without limiting the generality of the foregoing, Purchaser specifically accepts the Property at Closing subject to, assumes all risks associated with, and releases PGE from any Claims or Damages arising out of or related to any

and all environmental conditions existing as of the Effective Date, whether or not caused by PGE or its agents and whether or not discovered by Purchaser during the Inspection Period.

11.2 *Indemnification Procedure.*

a. Each Indemnified Party will, with reasonable promptness after obtaining knowledge thereof, provide the Indemnifying Party with written notice of any Claim and/or Damages that may be subject to the indemnification provisions of this Section 10, including, in reasonable detail, the basis for the Claim, the nature of Damages, and a good-faith estimate of the amount of Damages.

b. The Indemnifying Party will have fifteen (15) days after its receipt of the Claim notice to notify the Indemnified Party in writing whether the Indemnifying Party agrees that the Claim is subject to this Section 10 and, if so, whether the Indemnifying Party elects to undertake, conduct, and control, through counsel of its choosing (subject to the consent of the Indemnified Party, such consent not to be withheld unreasonably) and at its sole risk and expense, the good-faith settlement or defense of the Claim.

c. If within fifteen (15) days after its receipt of the Claim notice, the Indemnifying Party notifies the Indemnified Party that it elects to undertake the good-faith settlement or defense of the Claim, the Indemnified Party will reasonably cooperate with the Indemnifying Party in connection therewith, including, without limitation, by making available to the Indemnifying Party all relevant information material to the defense of the Claim. The Indemnified Party will be entitled to participate in the settlement or defense of the Claim through counsel chosen by the Indemnified Party, at the expense of the Indemnified Party. If the proposed settlement would impose an obligation or duty on the Indemnified Party, the Indemnified Party will have the right to approve the settlement and, in that case, the settlement may not be undertaken without such approval. As long as the Indemnifying Party is contesting the Claim in good faith and with reasonable diligence, the Indemnified Party will not pay or settle the Claim. Notwithstanding the foregoing, so long as any such payment or settlement of any Claim will not result in further liability of the Indemnifying Party or otherwise prejudice the Indemnifying Party, the Indemnified Party will have the right, at the Indemnified Party's sole cost and expense, to pay or settle any Claim at any time, but in such event it waives any right to indemnification therefor by the Indemnifying Party.

d. If the Indemnifying Party does not provide notice that it elects to undertake the good-faith settlement or defense of the Claim or if the Indemnifying Party fails to contest the Claim or fails to undertake or approve settlement in good faith and with reasonable diligence, the Indemnified Party will thereafter have the right to contest, settle, or compromise the Claim at its exclusive discretion, at the risk and expense of the Indemnifying Party, and the Indemnifying Party will thereby waive any claim, defense, or argument that the Indemnified Party's defense or settlement of such Claim is in any respect inadequate or unreasonable.

e. A Party's failure to give timely notice will not constitute a defense (in whole or in part) to any claim for indemnification by such Party, except if and only to the extent that such failure results in any material prejudice to the Indemnifying Party.

11.3 *Survival.* The rights and obligations of the Parties under this Section 10 shall survive Closing indefinitely.

11.4 *Definitions.* For purposes of this Section 10; (i) "**Claim**" means any claim, demand, action, cause of action, notice, suit, proceeding, arbitration, hearing or investigation asserted by any governmental authority or third party, (ii) "**Damages**" means any and all direct or indirect, absolute or contingent, accrued or unaccrued, losses, liabilities, damages, penalties, assessments, taxes, fees, judgments, settlements, obligations, costs (including, without limitation, cleanup, remediation, response or corrective action costs) and expenses (including, without limitation, reasonable attorney fees and expenses) and all reasonable amounts paid in defense or settlement of any Claim, whether asserted by third parties or incurred or sustained in the absence of third party claims and whether or not the Parties knew or could have reasonably foreseen the possibility thereof; and (iii) "**Indemnifying Party**" and "**Indemnified Party**" shall mean the Party providing or receiving the benefit of an indemnity under Section 10 1.

12. Representations and Warranties.

12.1 *By PGE.* PGE hereby represents, warrants and covenants with Purchaser that:

a. PGE has the legal power, right, and authority to enter into this Agreement and subject to the Closing conditions contained herein, to execute the instruments referred to herein and to consummate the transaction contemplated herein.

b. All requisite action has been taken by PGE in connection with entering into this Agreement and the instruments referred to herein and the consummation of the transaction contemplated herein.

c. The persons executing this Agreement and the instruments referred to herein on behalf of PGE have the legal power, right, and actual authority to bind PGE to the terms and conditions thereof.

d. PGE has not otherwise transferred the Property or granted any leasehold interest or options of lease or purchase.

e. PGE has not received any notices of violation of law.

f. PGE has no knowledge of any pending or threatened litigation involving the Property.

g. PGE has no knowledge of any pending or threatened condemnation involving the Property.

h. Subject to the Closing conditions contained herein, this Agreement and all documents required to be executed by PGE pursuant hereto are and shall be valid, legally binding obligations of and enforceable against PGE in accordance with their terms.

12.2 *By Purchaser.* Purchaser hereby represents, warrants and covenants with PGE that:

a. Purchaser has the legal power, right, and authority to enter into this Agreement and, subject to the Closing conditions contained herein, to execute the instruments referred to herein and to consummate the transaction contemplated herein.

b. All requisite action has been taken by Purchaser in connection with entering into this Agreement and the instruments referred to herein and the consummation of the transaction contemplated herein.

c. The persons executing this Agreement and the instruments referred to herein on behalf of Purchaser have the legal power, right, and actual authority to bind Purchaser to the terms and conditions thereof.

d. Subject to the Closing conditions contained herein, this Agreement and all documents required to be executed by Purchaser are and shall be valid, legally binding obligations of and enforceable against Purchaser in accordance with their terms.

13. **Notices.** Any notice, demand, request or communication which is required or authorized by this Agreement is to be given in writing to the applicable Party and may be made via personal delivery, courier, mailed by registered or certified mail (return receipt requested) or sent by facsimile to such Party at the address or fax number set forth below.

To PGE: Portland General Electric Company
Attn: Property Services Manager
121 SW Salmon Street, 3WTCBR07
Portland, OR 97204
Fax No. (503) 464-2863
Phone No. (503) 464-8127
Email: mike.livingston@pgn.com

With a copy to: Portland General Electric Company
Attn: General Counsel
121 SW Salmon Street, Suite 1300
Portland, Oregon 97204
Fax No. (503) 464-2200
Phone No. (503) 464-8860
Email: jay.dudley@pgn.com and stephen.redshaw@pgn.com

To Purchaser: Bridge Meadows
Attn: Dr. Derenda Schubert, Executive Director
8502 N. Wayland Avenue
Portland, OR 97203
Fax No. (503) 802-3648
Phone No. (503) 953-1100
Email: dschubert@bridgemeanows.org

With a copy to: Elaine R. Albrich
Stoel Rives LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204-1268
Fax No. (503) 220-2480
Phone No. (503) 294-9394
Email: eralbrich@stoel.com

The foregoing contact information may be changed by written notice, given in the same manner.

14. **No Broker or Commission.** Each Party represents and warrants to the other that, save and except PGE's Broker, John L. Scott, it has not used or engaged a real estate broker in connection with this Agreement or the transaction contemplated by this Agreement. Any commission or other fees payable to PGE's Broker shall be the sole responsibility of PGE. In the event any person asserts a claim for a broker's commission or finder's fee against one of the Parties to this Agreement, then the Party against whom the claim is asserted will hold the other Party harmless and defend from said claim.

15. **Further Actions.** Purchaser and PGE shall promptly execute all reasonable instruments and documents and to take all reasonable actions pursuant to the provisions of this Agreement in order to consummate the purchase and sale of the Property and shall use their best efforts to accomplish the close of Escrow in accordance with the provisions herein.

16. **Legal and Equitable Enforcement of This Agreement.**

16.1 *Default by PGE.* In the event the Closing does not occur by reason of any default by PGE, subject to Section 16.4 herein, Purchaser shall have all remedies available under Oregon law, including the right to seek specific performance of PGE's obligations.

16.2 *Default by Purchaser.* If PGE has performed each and every one of its obligations under this Agreement and the transaction provided for herein fails to close, through no fault of PGE, on or before the Closing Date, Purchaser shall forfeit the Earnest Money to PGE as liquidated damages as PGE's sole remedy, and this Agreement shall thereupon be null and void.

16.3 *Time of Essence.* TIME IS OF THE ESSENCE OF THIS AGREEMENT AND EACH PROVISION HEREOF.

16.4 *Limitation of Liability.* NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY NOR ITS RESPECTIVE

DIRECTORS, OFFICERS, SHAREHOLDERS, MANAGERS, AGENTS, OR EMPLOYEES WILL BE LIABLE TO THE OTHER PARTY OR TO ANY THIRD PARTY, OR ITS DIRECTORS, OFFICERS, SHAREHOLDERS, MANAGERS AGENTS, OR EMPLOYEES, WHETHER UNDER BREACH OF CONTRACT, BREACH OF WARRANTY, TORT LIABILITY (INCLUDING WITHOUT LIMITATION BOTH NEGLIGENCE AND STRICT LIABILITY), STRICT LIABILITY OR OTHERWISE, FOR ANY PUNITIVE, INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES WHATSOEVER (INCLUDING WITHOUT LIMITATION LOST PROFITS OR REVENUE) OF ANY NATURE CONNECTED WITH OR RESULTING FROM PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, BUT RATHER SHALL BE LIABLE ONLY FOR DIRECT ACTUAL DAMAGES REASONABLY INCURRED ARISING DIRECTLY FROM THE BREACH OF THIS AGREEMENT OR TO THE EXTENT OF SOLE, JOINT OR CONCURRENT NEGLIGENCE IN CONNECTION WITH ITS PERFORMANCE.

16.5 *Costs and Attorney Fees.* In the event of any litigation arising out of this Agreement or any other action to enforce the terms and conditions of this Agreement, including arbitration and any case or proceeding under the Bankruptcy Code or any successor statute, the prevailing Party shall be entitled to recover from the other Party all expenses which the prevailing Party may reasonably incur in taking such action, including, but not limited to, the costs of searching records, the cost of discovery depositions and attorney's fees and legal assistant fees, including fees at trial and on any appeal.

16.6 *No Merger.* Any term or provision of this Agreement that expressly provides for rights or obligations of either Party shall survive Closing and shall not merge into the Deed at Closing.

17. **Miscellaneous.**

17.1 *Relationship of the Parties.* This Agreement shall not constitute, create, or in any way be interpreted to create a joint venture, partnership, or formal business organization or arrangement of any kind or nature between the Parties, nor shall either Party be an agent, representative, trustee or fiduciary of the other. Neither Party shall have any authority to bind the other to any obligation or agreement.

17.2 *Dispute Resolution.* In the event of any dispute arising out of or in connection with this Agreement, including without limitation Section 10, the Parties shall first submit such dispute to mediation. The Parties shall mutually and reasonably agree upon a mediator, but if they cannot agree on a mediator within fourteen (14) days following any Party's request therefor, any Party may apply to the Presiding Judge of the Multnomah County, Oregon Circuit Court to appoint a mediator. The decision of the mediator shall be non-binding upon all Parties unless the decision is memorialized in a settlement agreement signed by all Parties. The Parties shall share the mediator's fee equally. Each Party shall bear its own costs and attorney fees, if any, associated with the mediation. The mediation shall be conducted at a location mutually and reasonably agreed to by the Parties in Multnomah County, Oregon. In the event the Parties are unable to resolve their dispute through mediation within thirty (30) days following the selection or appointment of a mediator, any Party may initiate arbitration proceedings in accordance with the Expedited Procedures of the Commercial Arbitration Rules of the American

Arbitration Association (the “AAA Rules”), and judgment on the award rendered by the arbitrator shall be binding on the Parties and may be entered by any court having jurisdiction thereof. The arbitration shall be conducted at a location mutually and reasonably agreed to by the Parties in Multnomah County, Oregon. Notwithstanding anything to the contrary in the AAA Rules, the Parties agree that the arbitrator for any dispute arising under Section 10 (in whole or in part) shall be an attorney or other environmental professional with significant experience in investigating and remediating contaminated or polluted properties in the State of Oregon, including performing that work in compliance with applicable Oregon laws. The arbitrator shall be selected by mutual agreement of the Parties, if possible. If the Parties fail to reach agreement upon the arbitrator within ten (10) days following delivery of any Party’s notice of its desire to arbitrate, any Party may apply to the Presiding Judge of the Multnomah County, Oregon Circuit Court for appointment of the arbitrator.

17.3 *Expenses.* Except as expressly provided in this Agreement, each Party will be solely responsible for all risks and liabilities and shall bear and pay for all of its own fees, costs and expenses (including, without limitation, fees and disbursements of legal counsel, accountants, agents, brokers, and other advisors) arising under this Agreement or incurred in connection with or related to the Property, including without limitation all expenses associated with any due diligence and/or feasibility investigations.

17.4 *Assignment: Binding Effect.* Except for the assignment of this Agreement by the Purchaser to an entity wholly-owned by the Purchaser (“**Purchaser Assignee**”), neither Party may assign this Agreement or any portion thereof without the prior written approval of the other Party, which approval shall not be unreasonably withheld or delayed. The Purchaser Assignee shall immediately and automatically succeed to all right, title and interest and all obligations of the Purchaser under this Agreement and the Purchaser shall upon such assignment have no continuing rights or obligations hereunder, except as expressly set forth herein. Without limiting the foregoing, PGE acknowledges and agrees that upon such assignment the Purchaser shall have no continuing environmental indemnity obligations under Section 11 of this Agreement and such obligations shall be solely those of the Purchaser Assignee. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of PGE, Purchaser and their respective heirs, personal representatives, successors and assigns. Notwithstanding either Party’s consent to any proposed assignment, such assignment shall not release or alter the obligations and liabilities of the Parties pursuant to Section 10.

17.5 *Third Parties.* Nothing contained herein nor the transactions contemplated hereby, express or implied, shall be deemed to inure to the benefit of any person or entity not a party to this Agreement, nor shall it confer upon any such third party or entity any right or remedy of any nature whatsoever.

17.6 *Partial Invalidity.* If any term or provision of this Agreement or the application to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

17.7 *Waivers.* No waiver of any breach of any covenant or provision contained herein shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

17.8 *Liquidated Damages.* To the extent any payment required to be made under this Agreement is deemed to or is agreed by the Parties to constitute liquidated damages, the Parties acknowledge that the damages are difficult or impossible to determine and that such payment constitutes a reasonable approximation of such damages, and not a penalty.

17.9 *Governing Law; Venue.* This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Oregon, without giving effect to conflict of laws principles. Each Party hereby submits to the exclusive jurisdiction and venue of the federal and State Courts in the State of Oregon, County of Multnomah, for purposes of any action related to this Agreement.

17.10 *Entire Agreement.* The Recitals are true and correct and incorporated herein by this reference. This Agreement (including any exhibits attached to it) is the final expression of, and contains the entire agreement between, the Parties with respect to the subject matter of the Agreement and supersedes all prior understandings with respect to it. This Agreement may not be modified or terminated, nor may any obligations under it be waived, except by written instrument signed by the Party to be charged.


17.11 *LAND USE DISCLAIMER.* THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

IN WITNESS WHEREOF, PGE and Purchaser have executed this Agreement as of the Effective Date.

PURCHASER

Bridge Meadows,
an Oregon nonprofit public benefit corporation

By: 

Printed Name: Derenda Schubert, PhD

Title: Executive Director

Date: May 30, 2014

Attachments:

Exhibit A – Property Description/Depiction

Exhibit B – Restoration Action Report dated October 21, 2013

PGE

Portland General Electric Company,
an Oregon corporation DFW

By: 

Printed Name: JAMES F. LOBDELL

Title: SVP FINANCE, CFO, TREASURER

Date: July 14, 2014

EXHIBIT A

Property Description/Depiction

Lots 25 – 30, Block 174, UNIVERSITY PARK, in the City of Portland, Multnomah County,
Oregon

EXHIBIT B

Restoration Action Report dated October 21, 2013

APPRAISAL OF

**PGE PROPERTY
8710 N Dana Avenue
Portland, Oregon 97203**

PREPARED FOR

Mike Livingston
Manager, Property Services
Portland General Electric
121 SW Salmon Street
1 WTC-0401 (World Trade Center)
Portland, OR 97204

PREPARED BY

John V. Donnerberg, MAI
Real Property Consultants
4805 SW Oleson Road
Portland, Oregon 97225
(503) 297-9046

DATE OF VALUE

November 27, 2013

RPC 13-081

REAL PROPERTY
CONSULTANTS

P O R T L A N D

4805 SW OLESON ROAD • PORTLAND, OREGON 97225

503/297-9046

December 13, 2013

Mike Livingston
Manager, Property Services
Portland General Electric
121 SW Salmon Street
1 WTC-0401 (World Trade Center)
Portland, OR 97204

Re: PGE Property
8710 N Dana Avenue
Portland, OR 97203
RPC File 13-081

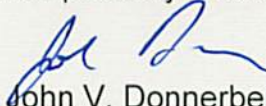
Dear Mr. Livingston:

In accordance with your request, I have completed an appraisal to estimate the Market Value of the above-referenced property. It is my opinion, based on an investigation and analysis of the available data, that the subject property value as of November 27, 2013, is:

**TWO HUNDRED SEVENTY THOUSAND DOLLARS
(\$270,000)**

This report was developed as a Complete Appraisal and presented as a Summary Appraisal Report. This report is intended to comply with the Uniform Standards of Professional Appraisal Practices of the Appraisal Standards Board. This report is also in compliance and subject to the requirements to the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute. The value reported is subject to all Assumptions and Limiting Conditions presented in this report. This appraisal was developed to be used during the course of future property disposal negotiations. Any other use of this report without written permission from the appraiser is prohibited.

Respectfully Submitted,



John V. Donnerberg, MAI
Oregon Certification No. C000554

JVD:lb

REAL PROPERTY CONSULTANTS, INC.

AFFILIATE OFFICES:

Real Property Consultants Portland

Real Property Consultants Salem

Real Property Consultants Medford

Real Property Consultants Klamath Falls

Each office is independently owned and operated.

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Aerial Photograph	Zoning Information
Zoning Map	PortlandMaps.Com Information
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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Owner	Portland General Electric Company 121 SW Salmon Street 1 WTC-0401 (World Trade Center) Portland, OR 97204	
Property Address	8710 N Dana Avenue, Portland, Oregon 97203	
Legal Description	Multnomah County Parcel 1N-1E, Section 08AC, Tax Lot 3900, also known as Parcel R292825. The property may also be identified as Lots 25 through 30, Block 174, University Park.	
Site Size	14,540 square feet per Multnomah County Assessor's map	
Zoning	R-5, City of Portland, single family residential	
Improvements	Vacant	
Highest and Best Use	Single family residential development	
Value Estimates	Cost Approach	N/A
	Sales Comparison Approach	\$270,000
	Income Capitalization Approach	N/A
	Value Conclusion	\$270,000
Date of Inspection	November 27, 2013	
Date of Value	November 27, 2013	
Date of Report	December 13, 2013	

ASSUMPTIONS AND LIMITING CONDITIONS

General

1. The property description used in this report is assumed to be reasonably correct.
2. No survey of the property has been made by the appraiser, and no responsibility is assumed in connection with such matters. Maps in this report are included only to assist the reader in visualizing the property. Property dimensions and size should be considered as approximate.
3. No responsibility is assumed for matters of a legal nature affecting title to the property, nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
7. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research, or investigation.
8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.
10. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
11. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefore.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with properly written qualification and only in its entirety.
13. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
14. The liability of the appraiser, his employees and subcontractors is limited to the initial employer (client) only, and only up to the amount of the fee actually received for the assignment. Further, there is no accountability, obligation, or liability to any third party. If the appraisal report is placed in the hands of anyone other than the initial employer, the initial employer shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiency (if any) in the property.
15. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing assumptions and limiting conditions.

GENERAL CONSIDERATIONS

Date of Inspection

November 27, 2013

Date of Value

November 27, 2013

Date of Report

December 13, 2013

Exposure Time

The value estimated for the subject assumes an exposure time of six to twelve months. This time period has been estimated based on an analysis of competing property marketing periods.

Property Rights Appraised

The property rights appraised constitute the fee simple interest of all future benefits that may be derived from the property's present or possible future use.

Purpose of Appraisal

The purpose of this appraisal is to estimate the Market Value of the subject property.

Intended Use

The intended use of the appraisal is to assist the client in establishing appropriate sales price for the property. The subject property represents surplus property which the client may dispose of in the future.

Client and Intended User

The client is Mike Livingston of the Portland General Electric Company. The intended user includes all agents and assigns associated with the Portland General Electric Company.

Reporting Option

This report was developed as a Complete Appraisal and presented as a Summary Appraisal Report.

Definition of Market Value

Market Value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by agencies that regulate federal financial institutions in the United States of America is:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.”
“Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their best interests;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in United States dollars, or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

SCOPE OF THE APPRAISAL

The scope of the appraisal assignment includes a physical inspection of the subject property and a review of the surrounding neighborhoods. The City of Portland Zoning Code was researched in order to ascertain allowable uses for the subject property. The location and/or availability of utilities were confirmed with municipal jurisdictions, utility companies, and/or property owners.

Comparable sales were researched through County records, CoStar Comps, Metroscan, RMLS, and other professional resources. The sales utilized in this report were personally inspected by John V. Donnerberg.

All comparable sales data was confirmed via buyer or seller. If these individuals were unable, reliable third party sources such as brokers were contacted in an effort to ensure the accuracy of the information.

The subject property was personally inspected by John V. Donnerberg, MAI on November 27, 2013. Said date of inspection establishes the date of value for this report.

NEIGHBORHOOD DESCRIPTION

The subject property is situated within the Portsmouth neighborhood of north Portland. Neighborhood schools include Rosa Parks Elementary, George Middle School, and Roosevelt High School. The neighborhood has convenient access to the nearby St. Johns commercial district. The City of Portland's Central Business District is located approximately six miles south of the neighborhood via Interstate 5. Significant transportation corridors within the neighborhood include Columbia Blvd running in an east/west direction, as well as North Lombard Street which connects the neighborhood to the community of St. Johns to the west and Interstate 5 to the east. Martin Luther King Jr. Blvd provides a secondary north/south route between the subject neighborhood and downtown Portland. The neighborhood also enjoys convenient access to the nearby Interstate Bridge and downtown Vancouver, Washington.

Neighborhood parks and open spaces include Columbia Park approximately eight blocks south of the subject site as well as University Park approximately four blocks north of the subject site.

In the immediate vicinity of the subject property, the neighborhood is characterized with a variety of older single family residential development. Pockets of multi-family development are scattered throughout the area. Primary commercial services are located in the nearby community of St. Johns. The neighborhood has a variety of industrial employers within the nearby Rivergate Industrial District as well as along the Columbia Blvd and Lombard Blvd corridors. Overall, the subject neighborhood is well situated in relation to downtown Portland as well as surrounding employers and commercial services.

GENERAL PROPERTY INFORMATION

Owner

Portland General Electric Company
121 SW Salmon Street
1 WTC-0401 (World Trade Center)
Portland, OR 97204

Property Address

8710 N Dana Avenue, Portland, Oregon 97203

Legal Description

Multnomah County Parcel 1N-1E, Section 08AC, Tax Lot 3900, also known as Parcel R292825. The property may also be identified as Lots 25 through 30, Block 174, University Park.

Assessment Data

Due to the utility owned nature of the subject, Multnomah County does not maintain assessment records on the site.

Zoning

The subject property is zoned R-5 under the jurisdiction of the City of Portland. The R-5 zone allows for single family residential development on site sizes no smaller than 5,000 square feet. The zone allows for duplexes on corner parcels as well as attached housing in some circumstances. The R-5 zone calls for a maximum building height of 30 feet. The zone has minimum setbacks as follows:

Front yard setback of 10 feet,
Side yard setback of 5 feet
Rear yard setback of 5 feet
Garage entrance setback of 18 feet

In addition to the general zoning guidelines, the subject property is also situated within the Interstate Corridor Urban Renewal Area. Said status allows for home buyer opportunity tax exemptions and is identified as being within a neighborhood stabilization program area.

Site Area

Multnomah County Assessor's map documentation indicates that the property has overall dimensions of 145.4 feet in a north/south direction and 100 feet in an east/west direction. This results in a calculated property area of 14,540 square feet.

Existing Use

The subject is vacant with exception of some remaining perimeter landscaping associated with the former PGE substation facility.

Sales History

There have been no recent transactions involving the subject property. The parcel is currently vested on Multnomah County Document 1319-0484.

Inspection

The subject property was inspected by the John V. Donnerberg, MAI appraiser on November 27, 2013. Said date of inspection establishes the date of value for this report.

SITE DESCRIPTION

The subject property consists of a level, rectangular corner site located at the northeast corner of N Dana Avenue and N Hunt Street. The property has overall dimensions of 145.4 feet in a north/south direction and 100 feet in an east/west direction resulting in a calculated property area of 14,540 square feet. The rear or easterly boundary of the site includes an adjacent 15 foot wide public alley way, while the north boundary of the site borders an adjacent private holding. The west and south public frontages of the property are improved with existing concrete curbs and sidewalks as well as a series of street trees. The property has two existing concrete driveway entrances along its south boundary. These driveway entrances were formerly associated with the prior PGE infrastructure. The property will likely require additional driveway installations during the course of any future highest and best use development activity. Most of the interior of the site is improved with a lawn surface. All substantial infrastructure associated with the prior substation use has been removed.

PortlandMaps.com indicates the presence of municipal water and sewer in the adjacent street right of ways. The property has a 12 inch water main on site at the southwest corner of the property according to City of Portland records. Storm sewer is available within the adjacent street right of way near the southwest corner of the site. Gravity sewer runs from south to north in the vicinity of N Dana Avenue. Overall, the subject property would be a convenient development site due to its existing frontage improvements and municipal utility infrastructure.

HIGHEST AND BEST USE

The Highest and Best Use is defined as: The reasonable and probable use that supports the highest present value of vacant land or improved property as of the date of appraisal. As defined, the Highest and Best use must be reasonably probable, legally and physically possible, as well as financially feasible.

A complete Highest and Best Use discussion requires consideration of the six major influences detailed under USPAP 1-3 (a).

1. Existing land use regulations.
2. Probability for modification of land use regulations.
3. Economic demand.
4. Physical adaptability of the real estate.
5. Neighborhood trends.
6. Highest and Best Use of the real estate.

The Highest and Best Use analysis must begin under assumption that the land is vacant and available for development to its Highest and Best Use. Under standard appraisal rules, the analysis must be developed to "recognize that land is appraised as though vacant and available for development to its Highest and Best use and that the appraisal of improvements is based on their actual contribution to the site". (USPAP 1-3 (b))

In the case of the subject property, the site consists of a series of formerly platted lots. The property consists of six formerly platted lots, each having an approximate width of 25 feet and an overall depth of 100 feet. An exception of this is Lot 25, which forms the south boundary of the property. This previously platted lot has a diminished width of only 20.4 feet.

The R-5 zoning criteria allows for a re-creation of the previously platted lots under certain circumstances. The zone also allows for duplex uses on corner lots. In general, the property could accommodate between three and six dwelling units under existing zoning guidelines.

Transaction 1, identified later in the report, sheds some light as to buyer preferences when choosing between larger standalone parcels and smaller attached dwelling units or row house scenarios. Transaction 1 included a 5,000 square foot parcel made up of two previously platted 2,500 square foot tax lots. Ultimately, the site was finished with a single residential structure based on a 5,000 square foot lot area.

When marketing the subject property, the buyer will ultimately decide the most feasible development scenario; however, the value of the property can best be established by concluding a baseline value associated with a more conservative development approach as identified by Transaction 1, noted later in the report. The market places

significant value on maintaining more comfortable building site dimensions. In this instance, the subject property would best be divided into three standalone parcels with the potential to, perhaps, accommodate a duplex structure on the south parcel due to its corner location.

In summary, the highest and best use of the subject property is to establish three standalone tax lots, each accommodating one residential structure.

VALUATION COMMENTS

There are three classic approaches which can be used in estimating a value for a given parcel of real estate. These methods are the Sales Comparison Approach, the Income Capitalization Approach and the Cost Approach.

The Sales Comparison Approach is a method whereby the value for a given property is estimated through a comparison process with other similar properties which have recently sold. The sale prices are adjusted for differences including the element of time, physical characteristics, and condition. The Sales Comparison provides a reliable value indication given the availability of adequate sales data.

The Cost Approach is a method whereby the replacement cost of the improvements is estimated. The estimated cost new is then charged for depreciation including physical deterioration, plus functional and economic obsolescence. The value of the underlying site is then added to this figure, resulting in an overall value indication for the property being appraised. The subjectivity of the depreciation estimate tends to increase with the age of the improvements. The Cost approach is therefore most reliable when dealing with newer properties.

The final method is the Income Capitalization Approach. This method is generally applicable to commercial and investment properties which are capable of producing a rental income. This process first involves the estimation of the economic rent the property is capable of producing. The appropriate expenses are then deducted, resulting in an estimate of net operating income. The income is then capitalized with an overall rate, resulting in the final value estimate.

In the case of the subject property, the appraisal assignment consists of the valuation of land only. As such, the Sales Comparison Approach is typically the only applicable method for the valuation of vacant land and has been the only method used in this analysis.

SALES COMPARISON APPROACH

The appraiser has attempted to identify meaningful transactions involving single family residential parcels throughout the north Portland market area. Of the available data, the following transactions have proven most helpful in this regard.

Sale	Location	Date	Price	Area (SF)	Price Per SF	Zone	Comments
1	9113 N Buchanan Ave, Portland	Apr-13	\$115,000	5,000	\$23.00	R-5, Portland	2 prior 2500SF platted lots, quiet street
2	8317 N Olympia St, Portland	May-13	\$100,000	4,850	\$20.62	R-5, Portland	97'x50' level lot, quiet street
3	9327 N Ivanhoe St, Portland	Apr-13	\$ 92,500	5,000	\$18.50	R-5, Portland	Level, quiet street
4	9247 N New York Ave, Portland	Apr-13	\$ 60,000	4,938	\$12.15	R-5, Portland	Irregular shaped, level, busy street

DISCUSSION

Sale No. 1 – 9113 N Buchanan Avenue, April 3, 2013, \$115,000 – This transaction involves a 5,000 square foot parcel which consisted of two formerly platted 2,500 square foot lots. The property was ultimately developed with a single residential unit occupying the entire parcel. The transaction sold with a cash consideration, after being listed for approximately 155 days. The site was subsequently improved with a newer single family residence, which sold for \$384,000 on August 23, 2013 according to assessor's records. The level, rectangular site is zoned R-5 and was situated on a quiet interior neighborhood street.

Sale No. 2 – 8317 N Olympia Street, May 8, 2013, \$100,000 – This transaction consists of a level, rectangular site located on a quiet, paved city street in North Portland. The property was sold with a cash consideration after being listed for 24 days. The 4,850 square foot parcel is zoned R-5 under the jurisdiction of the City of Portland. The property was formerly 5,000 square feet; however, the owner was required to dedicate approximately three additional feet of right of way along its south boundary as part of the development approval process.

Sale No. 3 – 9327 N Ivanhoe Street, April 15, 2013, \$92,500 – This sale consists of a 5,000 square foot level interior lot located along a quiet paved street. The property has subsequently developed with a new single family residence. The property sold with a cash consideration to the seller after being listed for 22 days. The property is zoned R-5. The site had municipal utilities located within the adjacent street right of ways.

Sale No. 4 – 9247 New York Street, April 19, 2013, \$60,000 – This transaction consists of an irregularly configured parcel sandwiched between North New York Avenue and North St. Louis Avenue. North St. Louis Avenue is a busy neighborhood

arterial while North New York Avenue is a quiet side street. The property sold with a cash consideration and has subsequently been improved with a new single family residence. The parcel is exposed to some vehicle and truck noise along its rear or north boundary. The parcel includes a total area of 4,938 square feet. The site is zoned R-5 under the jurisdiction of the City of Portland.

ADJUSTMENTS

Terms

Conversations with the parties involved with the above transactions indicate cash equivalent considerations for each sale. No adjustment is deemed necessary for cash equivalency.

Time

The comparable data extends as far back in time as April of 2013. The appraiser has referenced the Portland area RMLS statistics with respect to potential residential appreciation over the given time frame. RMLS suggests improved residential appreciation of 15% for the year ending November 2013. This improved residential rate does not directly correlate with the potential vacant land appreciation rate; however, it can be used as a proxy pointing to general market trends. Accordingly, the appraiser has concluded an appropriate land appreciation rate of 12% per year, or 1% per month. This has been calculated in the following table:

Time Adjustment (@ 12% per year, or 1% per month)							
Sale	Date	Months Since Sale	Adjustment Factor	Sale Price	Time Adjusted Price	Area	Unit Price/SF
1	Apr-13	7	1.0700	\$ 115,000	\$ 123,050	5,000	\$24.61
2	May-13	6	1.0600	\$ 100,000	\$ 106,000	4,850	\$21.86
3	Apr-13	7	1.0700	\$ 92,500	\$ 98,975	5,000	\$19.80
4	Apr-13	7	1.0700	\$ 60,000	\$ 64,200	4,938	\$13.00

After completing the above time adjustment calculations, the comparable data suggests a range of potential lot values from a low of \$64,200 to a high of \$123,050. On a price per square foot basis, the data suggests a range from \$13 per square foot to \$24.61 per square foot.

Conclusions

The subject property consists of a multiple lot parcel, that is the highest and best use is maximized by dividing the larger parcel into logical components resulting in a maximally productive site development scenario. As discussed earlier in the highest and best use section of this appraisal, the market desirability of larger single family residential parcels is good. Sale 1 consisted of a 5,000 square foot parcel made up of two smaller previously platted 2,500 square foot lots. Ultimately, the site sold for a single residential improvement use. While this transaction marks the upper end of the demonstrated

range, it also establishes the market desirability of a larger residential parcels when compared with smaller row house style lots.

In the case of the subject property, the site could be conveniently divided into three residential parcels, each having 5,000 square feet except for the southernmost parcel. The subject's southerly tax lot area would consist of former lots 25 and 26, having a total area of 4,540 square feet. Due to the corner location of these parcels, it may be feasible to improve a duplex style improvement in this vicinity. The capability of establishing a duplex lot on this parcel would likely offset the slightly substandard size of the defined property area.

In any instance, the subject property generally consists of three approximate 5,000 square foot parcels. The contribution value associated with each of the three parcels is identified by the above land sale examples. The premise of this appraisal is to arrive at a single value for the entire larger parcel based on a single buyer concept. For this reason the appraiser concludes an appropriate contribution value for each of the three potential subject lots near the middle of the demonstrated range. While the subject property shares favorable physical characteristics when compared with the upper end of the range, a reduced contribution value for each of the lots must be established in an effort to account for multiple sales commissions and the effort in re-establishing lot boundaries, etc. Accordingly, the appraiser concludes an appropriate lot contribution of \$90,000 per potential standalone parcel. In this instance, the appraiser concludes that the site would yield a maximum of three single family residential sites. Thus, the overall value of the subject larger parcel may be tabulated as follows:

Lot Contribution
\$90,000/lot x 3 potential lots = \$270,000


Concluded Subject Property Larger Parcel Value

\$270,000

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- ◆ The statements of fact contained in this report are true and correct.
- ◆ The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- ◆ I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- ◆ I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ◆ My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- ◆ My compensation for this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ◆ My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- ◆ I have made a personal inspection of the subject property and the sales used in this report.
- ◆ No one provided significant professional assistance to the person signing this report.
- ◆ The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Practice of the Appraisal Institute.
- ◆ I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ◆ I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.
- ◆ As of the date of this report, I have completed the continuing education program of the Appraisal Institute.



John V. Donnerberg, MAI
Oregon Certification C000554 Exp. 5/31/2014

ADDENDUM

PHOTOGRAPHS – SUBJECT PROPERTY



JD2013-060-007 (13-081)

Facing east, viewing northerly portion of subject larger parcel.



JD2013-060-005 (13-081)

Facing north, viewing westerly boundary of subject site as seen from adjacent street right of way.

PHOTOGRAPHS – SUBJECT PROPERTY



JD2013-060-004 (13-081)

Viewing southerly boundary of subject site as seen from adjacent street right of way.



JD2013-060-001 (13-081)

Facing north, viewing property's southwest driveway.

PHOTOGRAPHS – SUBJECT PROPERTY



JD2013-060-010 (13-081)

Viewing property's southeasterly driveway entrance and adjacent alley way entrance.



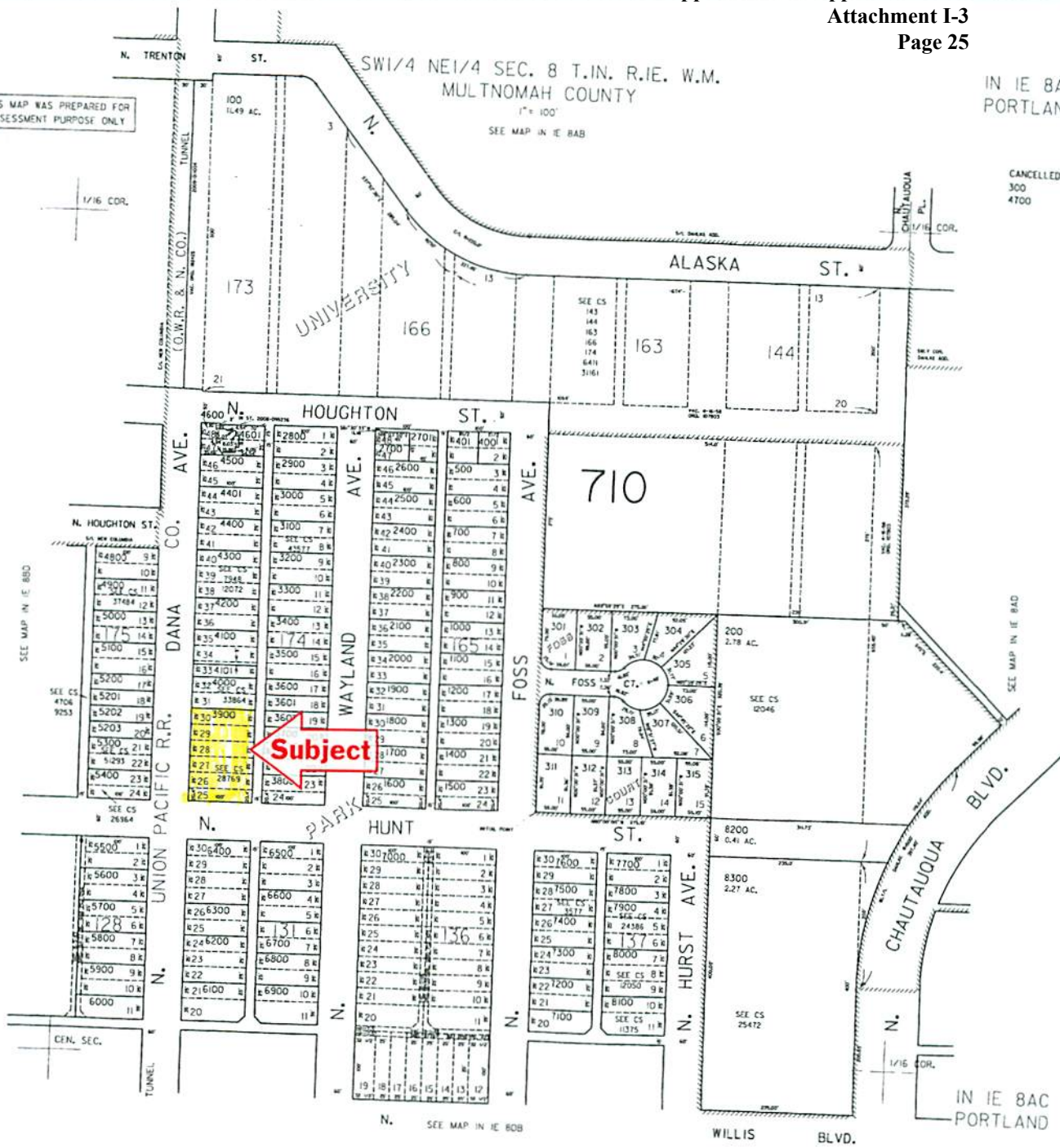
JD2013-060-011 (13-081)

Facing north, viewing interior of subject site as seen from south property boundary.

IN IE BAC
PORTLAND

CANCELLED NO.
300
4700

THIS MAP WAS PREPARED FOR
ASSESSMENT PURPOSE ONLY



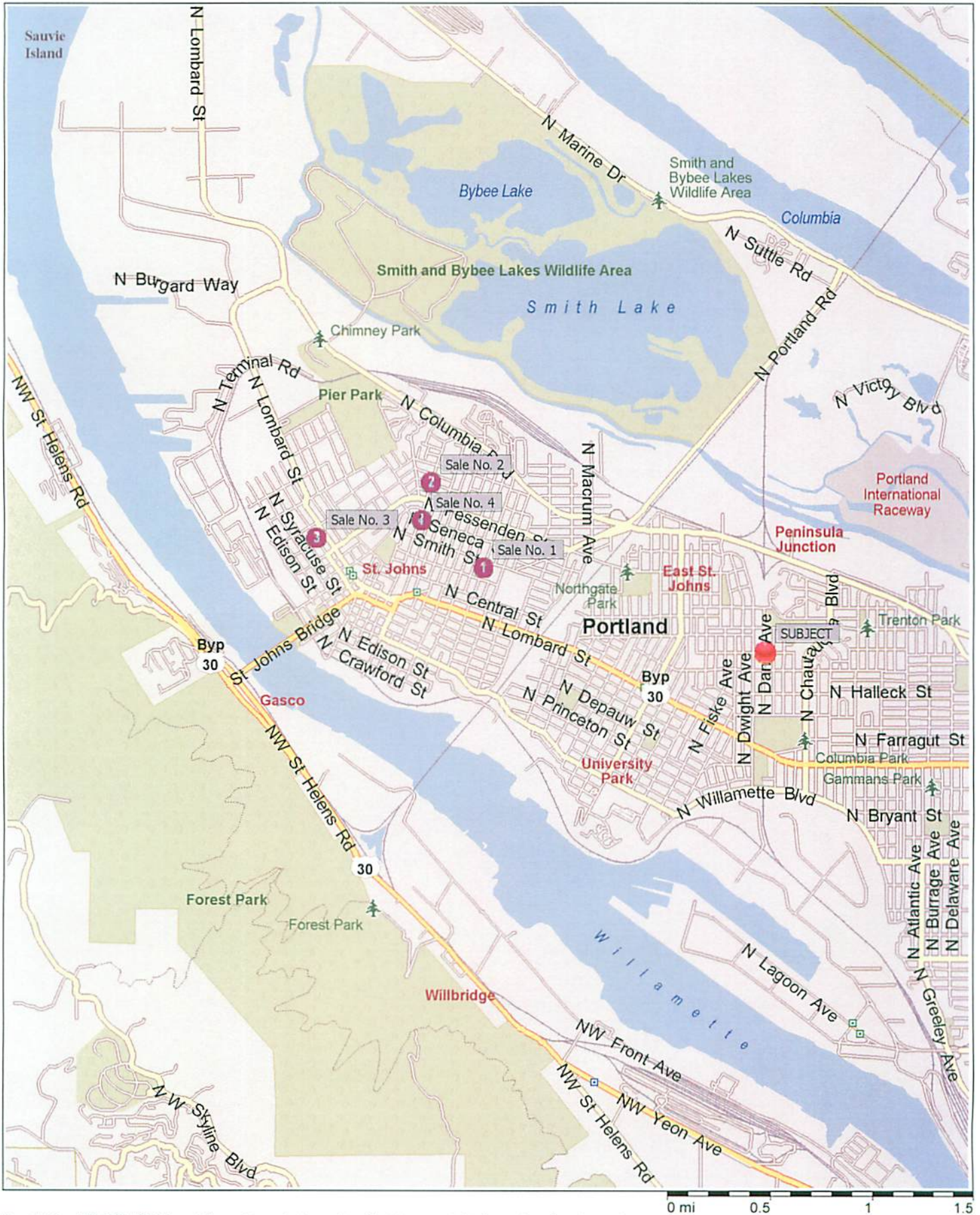
.../MAPS/MULT/1N1E/1N1E08AC.DGN 9/16/2011 3:56:51 PM

Assessor's Map



Aerial Map

Comparable Land Sales Location Map



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SALE NO. 1



JD2013-063-034 (13-081)

Location: 9113 N Buchanan Avenue, Portland, Oregon, 97203
Legal Description: 1N-1E-6CC, Tax Lot 170000, also known as R245597
Date: April 3, 2013
Price: \$115,000
Grantor: Millard Elfberg
Grantee: Brian McMillan LLC
Recording: 13-045773
Zone: R-5
Site Size: 5,000 square feet
Unit Price: \$23.00 per square foot
Verified: Jenny Cole, Agent, 503-416-2050

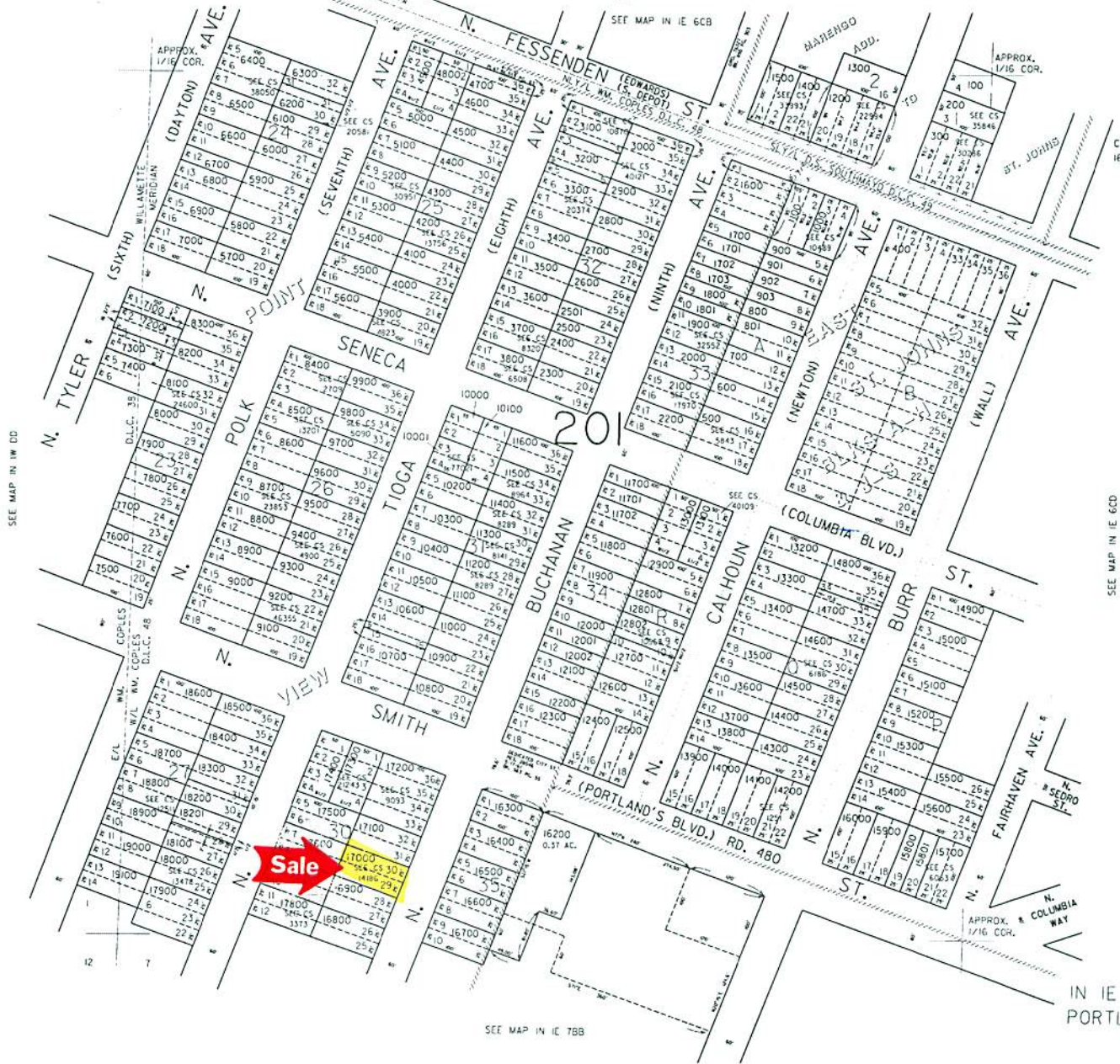
COMMENTS – This transaction involves a 5,000 square foot parcel which consisted of two formerly platted 2,500 square foot lots. The property was ultimately developed with a single residential unit occupying the entire parcel. The transaction sold with a cash consideration, after being listed for approximately 155 days. The site was subsequently improved with a newer single family residence, which sold for \$384,000 on August 23, 2013 according to assessor's records. The level, rectangular site is zoned R-5 and was situated on a quiet interior neighborhood street.

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSE ONLY

SW1/4 SW1/4 SEC. 6 T.1N. R.1E. W.M. MULTNOMAH COUNTY

1" = 100'

CANCELLED NO. 16100



SEE MAP IN 1W 00

SEE MAP IN IE 6CD

SEE MAP IN IE 7BB

IN IE 6CC PORTLAND

SALE NO. 2



JD2013-063-038 (13-081)

Location: 8317 N Olympia Street, Portland, Oregon, 97203
Legal Description: 1N-1W-01DA, Tax Lot 8500, also known as R228900
Date: May 8, 2013
Price: \$100,000
Grantor: Deborah Stanley
Grantee: Kelly/Heater
Recording: 13-062687
Zone: R-5
Site Size: 4,850 square feet
Unit Price: \$20.62 per square foot
Verified: Kathryn King, Listing Agent, 503-772-8825

COMMENTS – This transaction consists of a level, rectangular site located on a quiet, paved city street in North Portland. The property was sold with a cash consideration after being listed for 24 days. The 4,850 square foot parcel is zoned R-5 under the jurisdiction of the City of Portland. The property was formerly 5,000 square feet; however, the owner was required to dedicate approximately three additional feet of right of way along its south boundary as part of the development approval process.

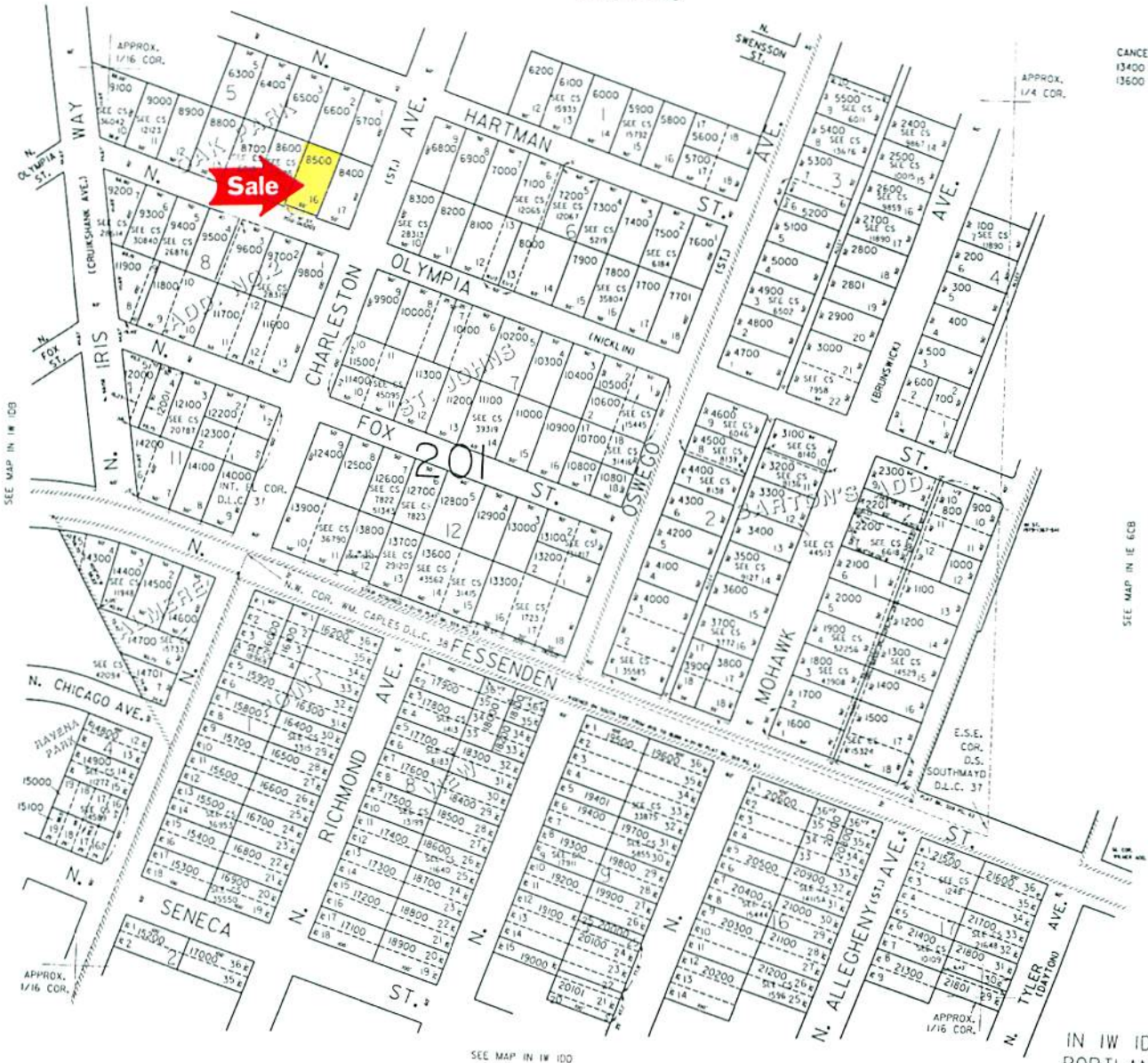
THIS MAP WAS PREPARED FOR
ASSESSMENT PURPOSE ONLY

NE1/4 SE1/4 SEC. 1 T.1N. R.1W. W.M.
MULTNOMAH COUNTY

IN IW IDA
PORTLAND

1" = 100'
SEE MAP IN IW IAD

CANCELLED NO.
13400
13600



SEE MAP IN IW IDB

SEE MAP IN IE 6CB

SEE MAP IN IW IDD

IN IW IDA
PORTLAND

SALE NO. 3



JD2013-063-041 (13-081)

Location: 9327 N Ivanhoe Street, Portland, Oregon, 97203
Legal Description: 1N-1W-01CC, Tax Lot 601, also known as R655091
Date: April 15, 2013
Price: \$92,500
Grantor: PDX Renovations
Grantee: Fish Construction NW Inc.
Recording: 13-051370
Zone: R-5
Site Size: 5,000 square feet
Unit Price: \$18.50 per square foot
Verified: Daryl Bodle, Listing Agent, 503-597-2444

COMMENTS – This sale consists of a 5,000 square foot level interior lot located along a quiet paved street. The property has subsequently developed with a new single family residence. The property sold with a cash consideration to the seller after being listed for 22 days. The property is zoned R-5. The site had municipal utilities located within the adjacent street right of ways.

SALE NO. 4



JD2013-063-037 (13-081)

Location: 9247 New York Street, Portland, Oregon, 97203
Legal Description: 1N-1W-01DB, Tax Lot 18900, also known as R174193
Date: April 19, 2013
Price: \$60,000
Grantor: Heber Thurston
Grantee: Fish Construction NW Inc.
Recording: 13-151628
Zone: R-5
Site Size: 4,938 square feet
Unit Price: \$12.15 per square foot
Verified: Alexander Pemberton, Listing Agent, 503-283-1900

COMMENTS – This This transaction consists of an irregularly configured parcel sandwiched between North New York Avenue and North St. Louis Avenue. North St. Louis Avenue is a busy neighborhood arterial while North New York Avenue is a quiet side street. The property sold with a cash consideration and has subsequently been improved with a new single family residence. The parcel is exposed to some vehicle and truck noise along its rear or north boundary. The parcel includes a total area of 4,938 square feet. The site is zoned R-5 under the jurisdiction of the City of Portland.

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSE ONLY

NW1/4 SE1/4 SEC. 1 T.1N. R.1W. W.M.
MULTNOMAH COUNTY
1" = 100'

IN 1W 1DB
PORTLAND

CANCELLED NO.
3800
4200
7100
8200
9600
10500



SEE MAP IN IW ICA

SEE MAP IN IW IDC

IN 1W 1DB
PORTLAND

OWNERSHIP INFORMATION

Parcel Number :R292825
 Ref Parcel Number :1N1E08AC 03900
 Old Parcel Number :R85133 5910
 Map Number :2126 T:01N R:01E S:08 Q:NE
 Owner :Portland General Electric Co
 CoOwner :
 Site Address :*no Site Address* Portland 97203
 Mail Address :121 SW Salmon St Portland Or 97204
 Telephone :Owner:503-464-8000 Tenant:

SALES AND LOAN INFORMATION

Transferred :	Loan Amount :
Document # :1319-0484	Lender :
Sale Price :	Loan Type :
Deed Type :	Interest Rate :
% Owned :	Vesting Type :

ASSESSMENT AND TAX INFORMATION

MktLand :	Levy Code :710
MktStructure :	12-13 Taxes :
MktTotal :	Exempt Amount :
% Improved :	Exempt Type :
AssessedTotal :	

PROPERTY DESCRIPTION

Map Page & Grid :
 Census :Tract:41.01 Block:
 Improvement Type :
 Zoning :R5
 Subdivision/Plat :University Park
 Neighborhood Cd :R188
 Land Use :013 Misc,Res,Centrally Assessed
 Legal :UNIVERSITY PK, BLOCK 174, LOT 25-30
 :DEPT OF REVENUE MAP 2126
 :

Profile-Page 1 of 3

= M E T R O S C A N P R O P E R T Y P R O F I L E =
Multnomah (OR)

Parcel Number :R292825

PROPERTY CHARACTERISTICS

Bedrooms :	Building SF :	Year Built :
Bathrooms :	1st FloorSF :	EffYrBuilt :
Family Room :	2nd FloorSF :	Lot Acres : 10 15,000 SF
Living Room :	Attic SqFt :	Lot SqFt : 4,356 14,540 SF
Kitchen :	Bsmt Fin SF :	Lot Dimen :
Dining Room :	Bsmt Unfin SF :	Curb/Guttr :
Nook :	Bsmt Total SF :	St Access :
Utility Rm :	Total Lvng SF :	PavingMatl :
Other Rms :	Garage SqFt :	ElectrcSvc :
Floor Cover :	Garage Sp :	Nuisance :
Fireplace :	Garage Type :	Sidewalk :
Cooling :	Patio SqFt :	Sewer :
Heat Mthd :	Patio :	View Qlty :
Heat Srce :	Pool :	Water Srce :
Intercom :	Spa :	Foundation :
Microwave :	Deck SqFt :	Wall Matl :
Vacuum :	Deck :	Roof Matl :
Trash Cmptr :	Stories :	Roof Shape :
Appliance :	Bldg Style :	Const Type :
Tennis Crt :	Total Units :	Class Code :

Information compiled from various sources. Real Estate Solutions makes no representations or warranties as to the accuracy or completeness of information contained in this report.

8710 N DANA AVE - PORTSMOUTH - PORTLAND

General Information

Property ID R292825	
County MULTNOMAH	
State ID 1N1E08AC 3900	
Alt Account # R851335910	
Map Number 2126 OLD	
Site Info	
Site Address	
City/State/Zip PORTLAND OR 97203	
Owner Info (Privacy)	
Owner(s) Name PORTLAND GENERAL ELECTRIC CO	
Owner Address 121 SW SALMON ST	
City/State/Zip PORTLAND OR 97204-2901	



Property Description

Tax Roll UNIVERSITY PK, BLOCK 174, LOT 25-30 DEPT OF REVENUE	Use CENTRALLY ASSESSED
Lot 25-30	Block 174

Tax Districts

101 PORT OF PORTLAND	130 CITY OF PORTLAND
130L CITY OF PORTLAND - NEW LEVIES	130M CITY OF PORTLAND PARKS LOP
143 METRO	164 EAST MULT SOIL/WATER
170 MULTNOMAH COUNTY	170L MULT CO LIBRARY LOCAL OPT TAX
171 URBAN RENEWAL PORTLAND	173 URB REN SPECIAL LEVY - PORTLAND
198 TRI-MET TRANSPORTATION	304 MULTNOMAH ESD
309 PORTLAND COMM COLLEGE	311 PORTLAND SCHOOL DIST #1

Deed Information

Sale Date	Type	Instrument	Sale Price
	INST	BP13190484	\$0.00

Land Information

Type	Acres	SQFT
		0

Improvement Information

Improvement Type	
Improvement Value \$0.00	
Room Descriptions	
Building Class	
Actual Year Built	Effective Year Built
Number of Segments	Construction Style

Foundation Type

Roof Style

Flooring Type

Plumbing

Roof Cover Type

Heating/AC Type

Fireplace Type

Improvement Details

Segment Type

Class

Total Area

No Improvement Segment Information Available

Tax History

Year	Property Tax	Total Tax
2013	\$0.00	\$0.00
2012	\$0.00	\$0.00
2011	\$0.00	\$0.00
2010	\$0.00	\$0.00
2009	\$0.00	\$0.00
2008	\$0.00	\$0.00
2007	\$0.00	\$0.00
2006	\$0.00	\$0.00
2005	\$0.00	\$0.00
2004	\$0.00	\$0.00
2003	\$0.00	\$0.00
2002	\$0.00	\$0.00
2001	\$0.00	\$0.00
2000	\$0.00	\$0.00
1999	\$0.00	\$0.00

Assessment History

Year	Improvements	Land	Special Mkt/Use	Real Market	Exemptions	Assessed
2013	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2012	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2011	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2010	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2009	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2008	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2007	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2006	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2005	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2004	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2003	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2002	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2001	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

PortlandMaps

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**8710 N DANA AVE - PORTSMOUTH
- PORTLAND**

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[Summary](#) | [Benchmarks](#) | [Businesses](#) | [Elevation](#) | [Fire](#) | [Hazard](#) | [Photo](#) | [Property](#) | [Tax Map](#) | [UGB](#) | [Walkability](#) | [Zoning](#) | [Zip Code](#) | [Public Art](#)

Property & Location



Zoning

Property	
Zone	R5
Description	Residential 5,000
Overlay	
Comp Plan	R5
Comp Plan Overlay	
Historic District	
Conservation District	
Plan District	
NRMP District	
Urban Renewal District	Interstate Corridor
Zoning Map	2126

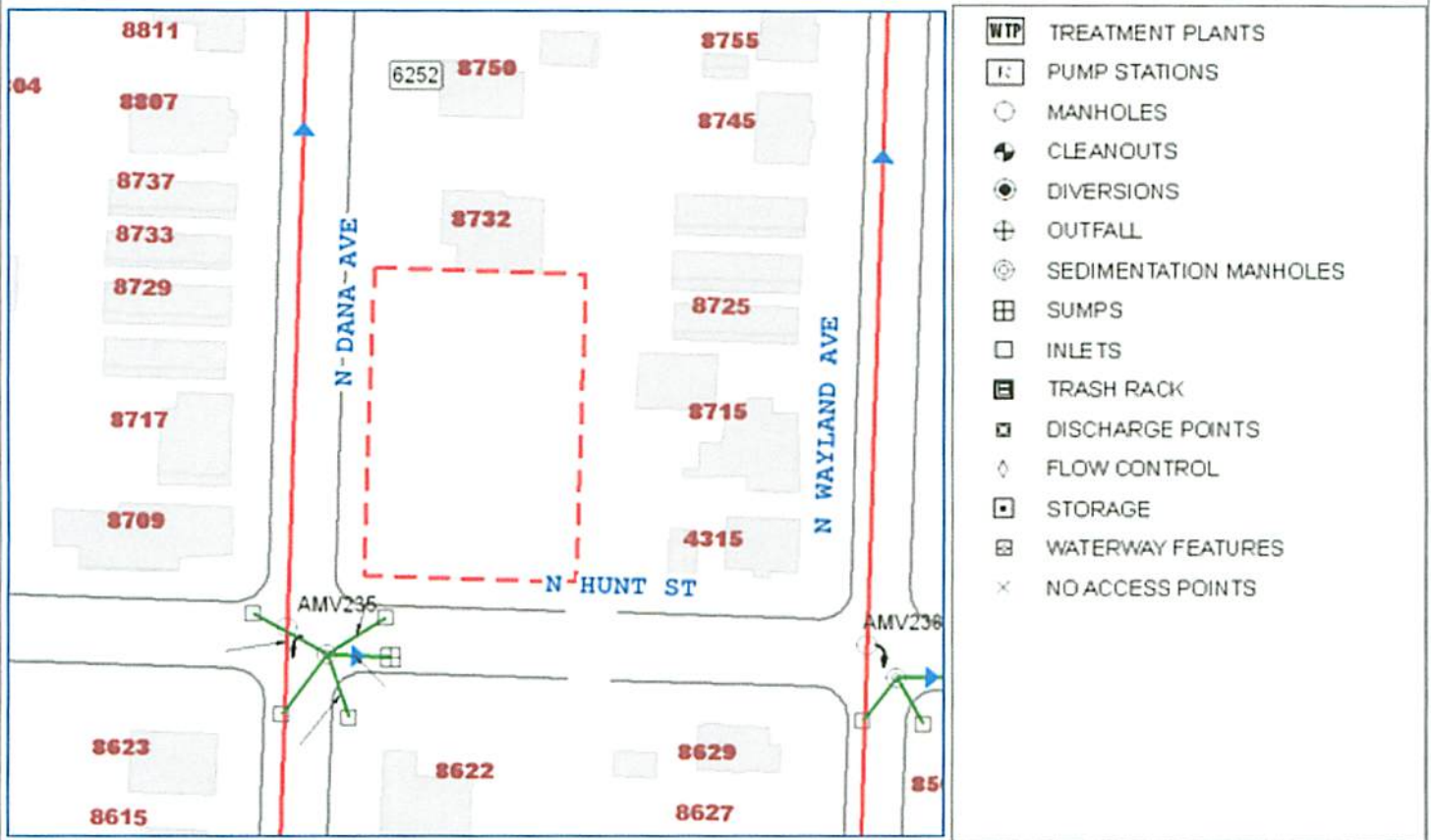


Water Utilities



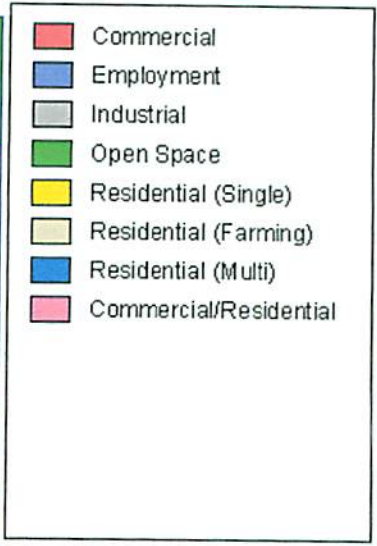
This map depicts the approximate location of water facilities located in the public right-of-way; the actual physical location can only be established by requesting a free utility locate. Call the Oregon Utility Notification Center by dialing 811. Location of water piping on privately owned property is unknown to the Portland Water Bureau, and is shown for illustrative purposes only.

Sewer System



8710 N DANA AVE - PORTSMOUTH - PORTLAND

Zoning



0 |-----| 300 FT

Zone	R5 (Residential 5,000)	Plan District	
Overlay		NRMP District	
Comp Plan	R5	Historical Resource Type	
Comp Plan Overlay		Historic District	
Zoning Map	2126	Conservation District	
Urban Renewal Area	Interstate Corridor	Wellhead Protection Area	No



0 |-----| 3000 FT

City of Portland, Corporate GIS

11/18/2013

THE GIS APPLICATIONS ACCESSED THROUGH THIS WEB SITE PROVIDE A VISUAL DISPLAY OF DATA FOR YOUR CONVENIENCE. EVERY REASONABLE EFFORT HAS BEEN MADE TO ASSURE THE ACCURACY OF THE MAPS AND ASSOCIATED DATA. THE CITY OF PORTLAND MAKES NO WARRANTY, REPRESENTATION OR GUARANTEE AS TO THE CONTENT, SEQUENCE, ACCURACY, TIMELINESS OR COMPLETENESS OF ANY OF THE DATA PROVIDED HEREIN. THE USER OF THESE APPLICATIONS SHOULD NOT RELY ON THE DATA PROVIDED HEREIN FOR ANY REASON. THE CITY OF PORTLAND EXPLICITLY DISCLAIMS ANY REPRESENTATIONS AND WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE CITY OF PORTLAND SHALL ASSUME NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INACCURACIES IN THE INFORMATION PROVIDED REGARDLESS OF HOW CAUSED. THE CITY OF PORTLAND SHALL ASSUME NO LIABILITY FOR ANY DECISIONS MADE OR ACTIONS TAKEN OR NOT TAKEN BY THE USER OF THE APPLICATIONS IN RELIANCE UPON ANY INFORMATION OR DATA FURNISHED HEREUNDER. FOR UPDATED INFORMATION ABOUT THE MAP DATA ON PORTLANDMAPS PLEASE REFER TO [CITY'S METADATA](#). FOR QUESTIONS ABOUT ASSESSMENT INFORMATION PLEASE CONTACT THE COUNTY ASSESSORS OFFICE IN YOUR COUNTY.



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Phone: 503-823-7700 Fax: 503-823-7800 1900 SW 4th Ave, Suite 7100, Portland, OR 97201
More Contact Info (<http://portlandoregon.gov/bps/article/136170>)

Single Dwelling Zones

The single-dwelling zones are intended to preserve land for housing and to provide housing opportunities for individual households. The zones implement the comprehensive plan policies and designations for single-dwelling housing. Use regulations. The use regulations are intended to create, maintain and promote single-dwelling neighborhoods. They allow for some nonhousehold living uses but not to such an extent as to sacrifice the overall image and character of the single-dwelling neighborhood. Development standards. The development standards preserve the character of neighborhoods by providing six different zones with different densities and development standards. The development standards work together to promote desirable residential areas by addressing aesthetically pleasing environments, safety, privacy, energy conservation, and recreational opportunities. The site development standards allow for flexibility of development while maintaining compatibility within the City's various neighborhoods. In addition, the regulations provide certainty to property owners, developers, and neighbors about the limits of what is allowed. The development standards are generally written for houses on flat, regularly shaped lots. Other situations are addressed through special regulations or exceptions.

Table 610-1 Maximum Density Standards					
	RF	R20	R10	R7	R5
Maximum Density	1 unit per 87,120 sq. ft.	1 unit per 20,000 sq. ft.	1 unit per 10,000 sq. ft.	1 unit per 7,000 sq. ft.	1 unit per 5,000 sq. ft.

Table 110-3 Development Standards In Single-Dwelling Zones [1]							
Standard	RF	R20	R10	R7	R5	R2.5	
						detached	attached
Maximum Height	30 ft. [2]	30 ft. [2]	30 ft. [2]	30 ft. [2]	30 ft. [2]	35 ft. [2]	35 ft. [2]
(See 33.110.215)							
Minimum Setbacks							
- Front building setback	20 ft.	20 ft.	20 ft.	15 ft.	10 ft.	10 ft.	10 ft.
- Side building setback [3] [4] [8]	10 ft.	10 ft.	10 ft.	5 ft. [9]	5 ft. [9]	5 ft. [9]	5 ft.[5] [9]
- Rear building setback [3] [8]	10 ft.	10 ft.	10 ft.	5 ft.	5 ft.	5 ft.	5 ft.
- Garage entrance setback [3] [6]	18 ft.	18 ft.	18 ft.	18 ft.	18 ft.	18 ft.	18 ft.
(See 33.110.220)							
Required Outdoor Area							
- Minimum area	250 sq. ft.	250 sq. ft.	250 sq. ft.	250 sq. ft.	250 sq. ft.	250 sq. ft.	200 sq. ft.
- Minimum dimension [7]	12 ft. x 12 ft.	12 ft. x 12 ft.	12 ft. x 12 ft.	12 ft. x 12 ft.	12 ft. x 12 ft.	12 ft. x 12 ft.	10 ft. x 10 ft.
(See 33.110.235)							

- Notes:
- [1] These standards may be superseded by the regulations of an overlay zone or plan district.
 - [2] Some lots may be subject to a different height standard. See 33.110.215.B.
 - [3] No setback is required from a lot line abutting an alley.

- [3] NO setback is required from a lot line abutting an alley.
- [4] The side setback for lots in front of flag lots may be reduced to 3 feet. See 33.110.220.D.2.
- [5] Applies only to the perimeter of the attached unit development. See 33.110.240 C. for more information.
- [6] The walls of the garage structure are subject to 33.110.250.E and the applicable front, side, or rear building setbacks.
- [7] The shape of the outdoor area must be such that a square of the stated dimension will fit entirely in the outdoor area.
- [8] No setbacks are required from an internal lot line that is also a zoning line on sites with split zoning. See 33.110.220.D.6.
- [9] The minimum setback between an existing building and a side lot line along a proposed right-of-way or tract may be reduced to 3 feet when proposed as part of a land division.

Table 110-4 Maximum Building Coverage Allowed in the RF through R2.5 Zones [1]	
Lot Size	Maximum Building Coverage
Less than 3,000 sq. ft.	50% of lot area
3,000 sq. ft. or more but less than 5,000 sq. ft.	1,500 sq. ft. + 37.5% of lot area over 3,000 sq. ft.
5,000 sq. ft. or more but less than 20,000 sq. ft.	2,250 sq. ft + 15% of lot area over 5,000 sq. ft.
20,000 sq. ft. or more	4,500 sq. ft. + 7.5% of lot area over 20,000 sq. ft.

Notes:

- [1] Group Living uses are subject to the maximum building coverage for institutional development stated in Table 110-5.

Table 610-2 Lot Dimension Standards					
	RF	R20	R10	R7	R5
Minimum Lot Area	52,000 sq. ft.	12,000 sq. ft.	6,000 sq. ft.	4,200 sq. ft.	3,000 sq. ft.
Maximum Lot Area	151,000 sq. ft.	34,500 sq. ft.	17,000 sq. ft.	12,000 sq. ft.	8,500 sq. ft.
Minimum Lot Width	60 ft.[1]	60 ft.[1]	50 ft.[1]	40 ft.[1]	36 ft.[1]
Minimum Front Lot Line	30 ft.	30 ft.	30 ft.	30 ft.	30 ft.
Minimum Lot Depth	60 ft.	60 ft.	60 ft.	55 ft.	50 ft.

Notes:

- [1] See 33.610.200.D.



**JOHN V. DONNERBERG, MAI
PROFESSIONAL QUALIFICATIONS**

BUSINESS ADDRESS

4805 SW Oleson Road
Portland, Oregon 97225
503-297-9046 (Office)

APPRAISAL EXPERIENCE

Real Property Consultants, Portland
May 1993 to Present – Position: State Certified General Appraiser

Conduct the appraisal of a variety of property types including single-family, multi-family, commercial, industrial and agricultural properties. Also conduct the appraisal of numerous right-of-way acquisition projects involving easements, fee takings, partial acquisitions and right-of-way corridors in both Oregon and Washington.

FORMAL EDUCATION

Oregon State University, Corvallis, Oregon – 1988-92
B.S. Degree in Technical Journalism

CERTIFICATES AND LICENSES

Oregon State Certified General Appraiser C000554
Washington State Certified General Appraiser 1100920

PROFESSIONAL AFFILIATIONS

Member: International Right-of-Way Association
Secretary, 2004, Board Member – International Right-Of-Way Association
Designated Member: Appraisal Institute (MAI)
2013 Secretary, Greater Oregon Chapter of the Appraisal Institute

SAMPLING OF CLIENTS SERVED

Bank of America	PacifiCorp
City of Portland	Preferred Financial Funding
City of West Linn	Right-of-Way Associates
Clackamas County	Union Bank of California
Crossland Mortgage	Universal Field Services
First Franklin Group	Washington County
H.U.D. Approved	Washington Dept. of Transportation
NW Natural Gas	TriMet
Norwest Mortgage Inc.	Multnomah County
Oregon Dept. of Transportation	Metro
Portland General Electric Co.	City of Vancouver, Washington

JOHN V. DONNERBERG, MAI
PROFESSIONAL QUALIFICATIONS
(Continued)

PROFESSIONAL EDUCATION

Attended the following Appraisal Institute courses:

Appraisal Principles - Course 110 - 1993
Appraisal Procedures - Course 120 - 1993
Basic Income Capitalization - Course 310 – 1993
Standards of Professional Practice - Part A - Course 410 - 1993
General Applications - Course 320 - 1996
Standards of Professional Practice - Part B - Course 420 - 1993
Standards of Professional Practice - Part C - Course 430 - 1998
Appraising High Values & Historic Homes - 1998
Fannie Mae Update - 1998
Changing Appraisal Market – 1998
Advanced Income Capitalization - Course 510 – 1999
Highest and Best Use – Course 520 – 1999
Advanced Sales Comparison and Cost Approach - Course 530 – 3/2000
Report Writing – Course 540 – May 2000
Attacking and Defending An Appraisal in Litigation – 5/2001
Comprehensive Examination Workshop - 2001
USPAP “A” and “B” – 4/2002
Report Writing Seminar – Course 755, 2/2004
Scope of Work Seminar – Course 756, 3/2004
National USPAP Update – Course 400 – 3/2004
Rates and Ratios – Course 754, 5/2004
National USPAP Update – 11/2005
Professionals Guide to the URAR – 9/2005
Demonstration Appraisal Report Writing Seminar – April 2006
Evaluating Residential Construction – 2/2007
National USPAP Update – 2/2008
Statistics and Residential Trends – 2/2008
State of the Industry Seminar – 12/2008
Chief Appraiser Round Table 4/9/2009
FHA Appraisal 3/12/2009
National USPAP Update 12/10/2010
Business Practices and Ethics 420 – 3/5/2010
Analyzing Distressed Real Estate -- 4/27/2010
Appraisal Curriculum Overview – 11/10/2010
National USPAP Update – 3/2012
Discounted Cash Flow Model: Concepts, Issues and Apps 5/2012
Attacking/Defending an Appraisal in Litigation – 4/2013

Portland General Electric Company and Subsidiaries
Consolidated Balance Sheet
June 30, 2014
(In Millions)

	June 30, 2014	Adjustments ⁽¹⁾	Adjusted Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 97		\$ 97
Accounts receivable, net	121		121
Unbilled revenues	74		74
Inventories	85		85
Regulatory assets - current	38		38
Other current assets	98		98
Total current assets	<u>513</u>	<u>-</u>	<u>513</u>
Electric utility plant	7,213		7,213
Construction work in progress	926		926
Total cost	<u>8,139</u>		<u>8,139</u>
Less: accumulated depreciation and amortization	<u>(2,815)</u>		<u>(2,815)</u>
Electric utility plant, net	<u>5,324</u>		<u>5,324</u>
Regulatory assets - noncurrent	399		399
Nuclear decommissioning trust	83		83
Non-qualified benefit plan trust	33		33
Other noncurrent assets	47		47
Total assets	<u>\$ 6,399</u>	<u>\$ -</u>	<u>\$ 6,399</u>
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable	\$ 181		\$ 181
Short-term debt	-		-
Liabilities from price risk management activities - current	32		32
Current portion of long-term debt	70		70
Accrued expenses and other current liabilities	174		174
Total current liabilities	<u>457</u>	<u>-</u>	<u>457</u>
Long-term debt, net of current portion	2,071		2,071
Regulatory liabilities - noncurrent	913		913
Deferred income taxes	613		613
Unfunded status of pension and postretirement plans	160		160
Non-qualified benefit plan liabilities	101		101
Asset retirement obligations	105		105
Liabilities from price risk management activities - noncurrent	83		83
Other noncurrent liabilities	24		24
Total liabilities	<u>\$ 4,527</u>	<u>\$ -</u>	<u>\$ 4,527</u>
Commitments and contingencies (see notes)	-		-
Equity			
Portland General Electric Company shareholders' equity			
Preferred stock	-		-
Common stock	914		914
Accumulated other comprehensive loss	(5)		(5)
Retained earnings	962		962
Total Portland General Electric Company shareholders' equity	<u>1,871</u>	<u>-</u>	<u>1,871</u>
Noncontrolling interests' equity	<u>1</u>		<u>1</u>
Total Equity	<u>1,872</u>	<u>-</u>	<u>1,872</u>
Total liabilities and equity	<u>\$ 6,399</u>	<u>\$ -</u>	<u>\$ 6,399</u>

⁽¹⁾ Reflects journal entries in Exhibit "J"

Portland General Electric Company and Subsidiaries
Consolidated Statement of Income
Six Months Ended
June 30, 2014
(In Millions)

	Six Months Ended June 30, 2014	Adjustments	Adjusted Total
Revenues	\$916		\$916
Operating Expenses:			
Purchased power and fuel	326		326
Production and distribution	121		121
Administrative and other	110		110
Depreciation and amortization	148		148
Taxes other than income taxes	55		55
Total operating expenses	<u>760</u>		<u>760</u>
Income from Operations	156	-	156
Other Income:			
Allowance for equity funds used during construction	15		15
Miscellaneous income, net	-		-
Other Income, net	<u>15</u>	-	<u>15</u>
Interest Expense	<u>48</u>		<u>48</u>
Income before income taxes	123	-	123
Income Taxes	30		30
Net Income	<u>93</u>	-	<u>93</u>
Less: net loss attributable to noncontrolling interests	-		-
Net Income attributable to Portland General Electric Company	<u>\$93</u>	<u>\$ -</u>	<u>\$93</u>

Exhibit "H"
UP__

Portland General Electric Company and Subsidiaries
Consolidated Statement of Retained Earnings
Six Months Ended
June 30, 2014
(In Millions)

	<u>Retained Earnings</u>	<u>Adjustments ⁽¹⁾</u>	<u>Adjusted Total</u>
Balance at Beginning of Period, January 1, 2014	\$913		\$913
Net Income	93		93
	<u>1,006</u>		<u>1,006</u>
Dividends Declared			
Common stock	(44)		(44)
	<u>(44)</u>		<u>(44)</u>
Balance at End of Period, June 30, 2014	<u>\$962</u>	<u>\$0</u>	<u>\$962</u>

(1) No preliminary adjusting entries to the Statement of Retained Earnings.

PORTLAND GENERAL ELECTRIC COMPANY
PROPOSED JOURNAL ENTRIES

The following entries are to record the sale of Property located at 8710 N Dana Avenue, Portland, Oregon 97203, A11-8

	Land	Total
Selling Price	457,500	457,500
Original Cost	4,723	4,723
Selling Expenses	102,506	102,506
Gain(Loss) Realized	350,271	350,271

Account	Description	Debit	Credit
	[1]		
131	Cash	457,500	
186	Misc Deferred Debits (Legal, Appraisal, Environmental Expense)	102,506	
186	Misc Deferred Debits (Retire Land)	4,723	
186	Misc Deferred Debits (Land RWIP)		457,500
101	Electric Plant-in-Service (Retire Land)		4,723
131	Cash - Appraisal/Labor expenses		102,506
	To record costs and retire property located at A11-8		
	[2]		
186	RWIP	350,271	
421.6	Gain on disposition of property		350,271
	To record the gain on the sale of property located at A11-8		
	[3]		
407.3	Deferral of property transfer gain	350,271	
254	Deferred gain on property sale		350,271
	To record the deferred gain associated with the sale of property located at A11-8		

Cost and Description of Property

Accounting History for the Property Located at 8710 N Dana Avenue, Portland, Oregon 97203, A11-8

<u>Purchase Year</u>	<u>Audit</u>	<u>FERC 360 - Land</u>	<u>Description</u>
1950	11112	1,410	Purchase property for utility use - Dana substation
1983		3,313	LID Assesment
Total			<u>4,723</u> Bookcost