

January 10, 2017

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-3398

Attn: Filing Center

RE: UPN ___ PacifiCorp Notice of Property Disposition—Execution of Parking Lot Lease Agreement with Seaside Factory Outlet Center, LLC

Under ORS 757.480(2), PacifiCorp d/b/a/ Pacific Power (PacifiCorp or Company) hereby provides notice of the disposition of property necessary or useful in the provision of utility service (Notice).

PacifiCorp recently executed a Parking Lot Lease Agreement (Agreement) with Seaside Factory Outlet Center, LLC (Seaside) pursuant to which PacifiCorp will allow Seaside to use certain property located in Clatsop County, Oregon. The subject property is associated with the Company's Seaside Substation. The Agreement was executed on November 11, 2016.

Seaside has leased this property from PacifiCorp without incident since 2004. The previous lease expired on July 31, 2016. The term of the new Agreement is retroactively effective, as of August 1, 2016, to ensure the continuity of Seaside's use of the subject property. Seaside uses the property as a parking lot and for customer access to dumpsters at the rear of Seaside's property. Without the provided access, Seaside would have to reduce its parking area in order to construct a dumpster enclosure in front of one of its buildings.

In accordance with the terms of the Agreement, Seaside's use of the property, including any improvements to the property made by Seaside, will not interfere with PacifiCorp's current or future use of the property and/or maintenance of its existing or future facilities. All improvements made to the property must comply with the terms of the Agreement and must be approved by PacifiCorp. A copy of the Agreement is included with this Notice as Attachment A. The Agreement is a lease with a five-year term.

As consideration under the Agreement, Seaside will pay PacifiCorp \$6,956.90 for the first year under the Agreement and will thereafter pay annual rent, which will be increased annually in accordance with the change in the Consumer Price Index. The total consideration to be paid by Seaside to PacifiCorp under the Agreement is estimated to be \$40,000.08 over the five-year term of the Agreement.

Seaside's use of the property under the Agreement will not interfere with PacifiCorp's ability to operate its facilities or impede access to the Company's property. The public is not harmed

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because PacifiCorp will continue to be able to fulfill its obligation to provide safe, reliable electric service.

PacifiCorp respectfully requests that all correspondence and data requests regarding this matter be addressed to:

By E-mail (preferred): datarequest@pacificorp.com.

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Please direct informal questions with respect to this filing to Natasha Siores at 503-813-6583.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bryce Dalley", with a long horizontal flourish extending to the right.

R. Bryce Dalley
Vice President, Regulation

ATTACHMENT A
PARKING LOT LEASE AGREEMENT

PARKING LOT LEASE AGREEMENT

This PARKING LOT LEASE AGREEMENT (the "Lease"), including all attached Exhibits, is by and between PACIFICORP, an Oregon corporation ("Lessor") and SEASIDE FACTORY OUTLET CENTER, LLC, an Delaware limited liability company ("Lessee"), each a "Party" and together the "Parties".

RECITALS

A. Lessor owns that certain parcel of real property known as Clatsop County, Oregon Tax Lot 61015CC12500 located in Section 15, Township 6 North, Range 10 West, W.M. (the "Property").

B. Lessee desires to lease a portion of the Property for a parking lot and to access Lessee's adjoining property.

C. Lessor has used and will continue to use the Property for its business purposes, including but not limited to the construction, operation, maintenance, repair and replacement of substation facilities, transmission and distribution lines and other facilities and equipment normally associated with the generation and distribution of power and/or communication structures, facilities, and equipment. Lessor also uses and will continue to use the Property and the Premises (as hereinafter defined) to access adjoining properties and facilities, including properties and facilities that may be used in the future.

TERMS AND CONDITIONS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants and other consideration, the receipt and sufficiency of which is hereby acknowledged and received, Lessor and Lessee agree to the following terms and conditions:

1. Premises. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor that portion of the Property (the "Premises") more particularly described in **Exhibit A**.

2. Purpose and Use. Lessee's use of the Premises is solely for the limited purpose of use a parking lot and for access to Lessee's adjacent property and for no other purposes without Lessor's written consent.

3. Lease Term. This Lease commences on August 1, 2016, and terminates on July 31, 2021, unless earlier terminated as provided herein.

4. Rent.

4.1 Rent. For each year of the lease term, Lessee agrees to make Rent payments in advance for the following year, payable no later than each August 1 except that the first Rent payment is due no later than October 1, 2016. The Rent for the first year is Six Thousand Nine Hundred and Fifty Six Dollars and 90/100 (\$6,956.90).

4.2 Rent Increases. On each anniversary of the Lease start date the rent shall be increased in accordance with the change in the Consumer Price Index (CPI). The Consumer Price Index refers to the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average All Items Index 1982-1984=100. The Parties shall use the May index for the base and comparison month

4.3 Payment Address. All payments should indicate the customer number assigned to the Lease (**10003353**) and must be sent to:

*PacifiCorp
Attn: Central Cashier's Office
P.O. Box 5504
Portland, OR 97228*

4.4 Late Payments. Any installment of Rent or any other charges that are not paid when due will incur a late charge equal to ten percent (10%) of the delinquent payment. In addition, any Rent payment which is not made within fifteen (15) days after the same is due will bear interest at the maximum rate an individual is permitted by law to charge.

4.5 Holdover. If Lessee retains possession of the Premises or any part thereof after the termination of this Lease, Lessee will be deemed to have a month-to-month tenancy and Lessee agrees to pay Lessor a monthly installment of rent at one hundred twenty-five percent (125%) the rate due and payable for the month immediately preceding such holdover, computed on a per-month basis for each month or part of a month (without reduction for any such partial month) that Lessee remains in possession of the Premises. In addition, Lessee is obligated to pay to Lessor all direct and consequential damages sustained by Lessee's retention of possession of the Premises. The provisions of this Section will not be deemed to limit or exclude any of Lessor's rights of reentry or any other right granted to Lessor under this Lease or at law.

5. Acceptance of Premises. Lessee accepts the Premises in its present condition, AS-IS, WHERE-IS and with all faults. Lessor makes no representation or warranty as to the condition of the Premises and will not be required to perform, pay for, or be responsible for any work to ready the Premises for Lessee's occupancy or any other work whatsoever throughout the term of this Lease.

6. Improvements.

6.1 Written Consent. Lessee must not make any improvements or changes to the Premises, including grading, excavating, or constructing any structure without Lessor's prior written consent. Lessee will provide Lessor with detailed plans and specifications for any proposed change or improvement. Lessor has the right to conditionally approve, modify, or deny the request in its sole discretion. Lessee agrees to make all approved improvements in a good and workmanlike manner.

6.2 Maintenance of Improvements. Lessee agrees to keep and maintain all fences and other improvements existing upon the Premises at the commencement of this Lease, if

any, in good condition and will perform all routine maintenance and repairs on them at Lessee's expense. Lessee must not remove, or allow any other person to remove, any improvements existing at the commencement of this Lease without Lessor's prior written approval.

6.3 Removal of Improvements. All improvements made by Lessee remain the property of Lessor. Lessee is not entitled to any compensation for any improvements made to the Premises. If Lessor is required to dispose of improvements made by Lessee, Lessee agrees to reimburse Lessor for all costs incurred by Lessor. Lessee's obligation to reimburse such costs survives expiration or termination of this Lease.

7. Restrictions on the Use of the Premises.

7.1 Hazardous Materials. Lessee must not place, store or use any hazardous or flammable materials on the Premises, including but not limited to chemical solvents, fuels, toxic materials, excluding from this prohibition, however, motor vehicles fuels and lubricants properly contained in vehicles coming onto the Premises. In the event of any spill or release of any hazardous or toxic materials, Lessee must immediately report such spill to Lessor and any governmental agency with jurisdictional authority. Lessee must also immediately clean such spill pursuant to all applicable laws and ordinances. Upon termination of this Lease, Lessee will deliver the Premises to Lessor free of any material contamination by hazardous or toxic materials. Lessee covenants and agrees to protect, indemnify, and hold Lessor harmless from any and all liability, loss, costs, damage, or expense, including attorneys' fees, resulting from Lessee's failure to comply with the provisions of this paragraph. The covenants contained within this paragraph survive the expiration or termination this Lease.

7.2 Storage. Lessee must not cause or permit any structure, building, non-working automobile, equipment, or rubbish piles to be placed, erected, or stored on the Premises without Lessor's prior written consent. Lessee must not, under any circumstances, place any object or allow any person to come within twenty feet (20') of any power lines on the Premises. Lessee acknowledges that electricity can arc between lines and persons or objects within twenty feet (20') of the lines.

7.3 Noxious Weeds. Lessee must control the growth of any noxious weeds or other growth on the Premises in accordance with the requirements of any governmental agency having jurisdiction

7.4 Notice of Damages or Theft. Lessee must notify Lessor of any mortality, theft, vandalism, loss, or damage to the Premises, within twenty four (24) hours of the discovery of any such event.

7.5 Chemicals and Fertilizers. Lessee must not use or apply any insecticide, herbicide, pesticide, chemicals or fertilizers on the Premises without Lessor's prior written consent. Lessee must comply in all material respects with existing federal, state and local laws, regulations and ordinances and all manufacturer's instructions and guidelines in the use or application of any insecticide, herbicide, pesticide, chemical or fertilizer on the Premises.

7.6 Substation. The Premises are part of Lessor's substation lands, and Lessee accepts this Lease and the use of the Premises with full knowledge of said substation. Lessee acknowledges the following:

a) Lessee must not interfere with or obstruct access to said substation by Lessor's representatives.

b) Lessee must at all times observe a twenty foot (20') perimeter around the substation fence, including but not limited to preventing use of equipment (including vehicles), materials and/or construction from taking place within said perimeter.

c) Lessee must prevent all contact with the substation fence by persons or property, including but not limited to:

i) Not attaching any item of any kind, including any fencing, to the substation fence;

ii) Keeping the fence clear of plants, vines, trellises, and other similar items; and

iii) Preventing items from leaning against the fence, including but not limited to plants, tools, personal equipment, decorative items, etc.

7.7 Safety Regulations. Lessee must adhere to the requirements of the National Electrical Code ("NEC"), the National Electrical Safety Code ("NESC"), the Occupational Safety and Health Act ("OSHA"), all of which are incorporated by reference, any governing authority having jurisdiction over the subject matter, and any other safety requirements Lessor may require. Where difference in specifications may exist, the more stringent applies. All requirements of the NESC referred to in this Lease mean the current edition of such code and include any additional requirements of any applicable federal, state, county or municipal code or regulatory agency.

8. Lessor's Use of Property and Premises. Lessor reserves the right to access and use the Premises at any time for any purpose. Lessee must not interfere with or obstruct access to the Property or Premises by Lessor's representatives. Except in case of an emergency, if such use requires Lessee to make changes to any of Lessee's structures or other improvements located on the Premises, Lessor agrees to give Lessee three (3) days' advance notice and Lessee agrees to make any such changes at Lessee's cost, within a reasonable period of time as designated by Lessor.

9. No Sublet or Assignment; No Liens. Lessee may not sublet the Premises or any part thereof or assign any of its rights under this Lease without Lessor's prior written consent. Lessee must not allow any lien to be filed against the Premises and in the event any such lien or claim is filed against the Premises as a result of any action or inaction by Lessee, Lessee must immediately remove the lien through a bond, satisfaction of the claim, assertion of valid defenses or initiation and prosecution of an action requiring removal of the lien. If the same is not remedied to Lessor's reasonable satisfaction within ten (10) days, Lessor may satisfy the lien, including

paying the amount claimed due and Lessee agrees reimburse Lessor for the costs to satisfy the lien within ten (10) days of receipt of Lessor's request for reimbursement.

10. Compliance with Law, Preventing Waste. Lessee must comply with all laws, ordinances, and regulations affecting or pertaining to the use or occupation of the Premises. Lessee must at all times keep the Premises in a neat and orderly manner satisfactory to Lessor. Lessee must not commit or suffer to be committed any waste upon the Premises or any nuisance or other act or thing which may disturb adjoining land owners.

11. Indemnification. Lessee expressly assumes all risk in connection with its use of the Premises. Lessee agrees to indemnify, protect, and hold harmless Lessor and its directors, officers, employees and agents (hereinafter collectively "Lessor Indemnified Parties") against and from any and all claims, demands, suits, losses, costs and damages of every kind and description, including attorneys' fees and/or litigation expenses, brought or made against or incurred by the Lessor Indemnified Parties resulting from, arising out of, or in any way connected with any act, omission, fault or negligence of Lessees, its employees, agents, representatives or contractors, their employees, agents or representatives in the performance or nonperformance of Lessee's obligations under this Lease or in any way related to this Lease except to the extent that such claim, demand, loss, cause of action, or costs arises from Lessor's negligence or willful misconduct. This obligation survives expiration or termination of this Lease.

12. Insurance. Without limiting any liabilities or any other obligations of Lessee, Lessee must procure and continuously carry, with insurers having an A.M. Best's rating of A-VII or better, insurance against claims for injury to persons or damage to property which may arise from or in connection with this Lease or Lessee's use or occupancy of the Premises as follows:

12.1 Workers' Compensation. Lessee must comply with all applicable Workers' Compensation laws and furnish proof thereof satisfactory to Lessor. All Workers' Compensation policies must contain provisions that the insurance companies will have no right of recovery or subrogation against Lessor, its parent, divisions, affiliates, subsidiary companies, co-lessees, co-venturers, agents, directors, officers, employees, servants, and insurers, it being the intention of the Lessor and Lessee that the insurance as effected protects all Parties.

12.2 Employers' Liability. Insurance with a minimum single limit of \$1,000,000 each accident, \$1,000,000 disease each employee, and \$1,000,000 disease policy limit.

12.3 Commercial General Liability. The most recently approved ISO (Insurance Services Office) policy, or its equivalent, written on an occurrence basis, with limits not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate (on a per location and/or per job basis) to protect against and from any and all loss by reason of bodily injury or property damage on or about the Premises, including the following coverages:

- Premises and operations coverage
- Independent contractors' coverage
- Contractual liability

- Products and completed operations coverage
- Coverage for explosion, collapse and underground property damage
- Broad form property damage liability
- Personal injury liability, with contractual exclusion removed
- Sudden and accidental pollution liability

12.4 Business Automobile Liability. The most recently approved ISO policy, or its equivalent, with a minimum single limit of \$1,000,000 for bodily injury and property damage including sudden and accidental pollution liability, with respect to Lessee's vehicles whether owned, hired or non-owned, assigned to or used in any way on the Premises.

12.5 Umbrella Liability. Insurance with a minimum limit of \$5,000,000 each occurrence/aggregate where applicable to the excess of the coverages and limits required in Employers' Liability, Commercial General Liability, and Business Automobile Liability insurance referenced above. Such insurance policies must be maintained to cover any liability arising from Lessee's use of the Premises and indemnification as identified in this Lease.

12.6 Certificate of Insurance. Lessee must provide Lessor a certificate of insurance evidencing its insurance coverage. The required policies, except Workers' Compensation and Employers' Liability, must include provisions or endorsements naming Lessor, its parent, affiliates, subsidiaries, its officers, directors, agents, employees or servants as additional insured. Commercial General Liability coverage written on a "claims-made" basis, if any, must be specifically identified on the certificate.

12.7 Claims Made Basis. Commercial General Liability insurance coverage provided on a "claims-made" basis must be maintained by Lessee for a minimum period of five (5) years after the completion of this Lease and for such other length of time necessary to cover liabilities arising out of the Use.

12.8 Lessee's Insurance Primary. To the extent of Lessee's negligent acts or omissions, all policies required under this Lease must include provisions that such insurance is primary with respect to the interest of Lessor and that any other insurance or self-insurance maintained by Lessor is excess and not contributory insurance with the insurance required hereunder, and provisions that the policy contain a cross liability or severability of interest clause or endorsement.

12.9 No Right of Recovery or Subrogation. Unless prohibited by applicable law, all required insurance policies must contain provisions that the insurer will have no right of recovery or subrogation against Lessor, its parent, divisions, affiliates, subsidiaries companies, co-lessees, or co-venturers, agents, directors, officers, employees, servants, and insurers, it being the intention of the Lessor and Lessee that the insurance as affected protects all Parties.

12.10 Adequate Coverage. Lessor does not represent that the insurance coverage specified herein (whether in scope or amounts of coverage) is adequate to protect the obligations of Lessee and Lessee will be solely responsible for any deficiencies.

12.11 Notice Prior to Change or Cancellation. Lessee must notify Lessor as soon as possible in the event that any policies become subject to cancellation and will provide to Lessor proof of replacement coverage prior to the cancellation effective date.

12.12 Personal Property Insurance. It is Lessee's option to insure any and all damages resulting from fire, wind, vandalism, theft, falling objects and any other perils that may cause loss or damage to improvements and betterments including but not limited to structures, fences, and sidewalks, and to personal belongings located on the Premises.

13. Taxes. Lessor will pay real property taxes levied on the Premises and Lessee will pay all taxes on Lessee's personal property used on the Premises.

14. Termination. This Lease may be terminated upon the happening of any of the following events:

14.1 Breach. If Lessee breaches any of the covenants or provisions of this Lease, including the failure to pay rent or any other monetary sums required under this Lease, Lessor, at its option, may terminate this Lease and immediately re-enter and repossess the Premises either with or without legal process and without giving notice to quit to Lessee, which notice is expressly waived by Lessee in case of such breach.

14.2 Abandonment. In the event Lessee abandons the Premises, Lessor may, in addition to all other remedies, immediately reenter the Premises and take full possession thereof and exclude Lessee from any attempted renewed use of the Premises.

14.3 Termination by Notice. Notwithstanding any other provision in this Lease, Lessor may terminate this Lease for any reason by giving Lessee thirty (30) days' advance written notice.

15. Events Upon Expiration or Termination. Upon the expiration or termination of this Lease, Lessee agrees to promptly remove all personal property and surrender the Premises in good condition satisfactory to Lessor, reasonable wear and tear excepted. This obligation survives expiration or termination of this Lease.

16. Miscellaneous.

16.1 Notice. Wherever in this Lease notice is required, such notice must be in writing and transmitted by United States mail, national express carrier (such as UPS or Federal Express) or by personal delivery to the following addresses, or such other address as either party may designate pursuant to this Section for that purpose:

Lessor
PacifiCorp
Attn: Property Management Department
825 NE Multnomah St., Ste. 1700
Portland, OR 97232

Lessee
Seaside Factory Outlet Center
Attn: Stacy Miethe
1111 N. Roosevelt Dr., #202
Seaside, OR 97138

16.2 Titles and Captions. Section titles and captions to this Lease are for convenience only and not to be deemed part of this Lease and in no way define, limit, augment, extend, or describe the scope, content, or intent of any part or subparts of this Lease.

16.3 Applicable Law. This Lease will be construed in accordance with and governed by the laws of the state of Oregon.

16.4 Binding Effect Upon Successors. This Lease will bind upon and inure to the benefit of the parties and their respective heirs, executors, administrators, successors, legal representatives, and assigns; provided that this provision must not be construed as permitting assignment, substitution, delegation, or other transfer of rights or obligations except strictly in accordance with the provisions of this Lease.

16.5 Integration. This Lease constitutes the entire agreement between the parties pertaining to the subject matter hereof, and supersedes all prior agreements and understandings pertaining thereto. No covenant, representation, or condition not expressed in this Lease will affect or be deemed to interpret, change, or restrict the express provisions hereof.

16.6 Waiver. No failure by either party to insist upon the strict performance of any provision of this Lease, or to waive any provision in any instance, will be construed as a general waiver or relinquishment on its part of any such provision, but the same will be and remain in full force and effect.

16.7 Rights and Remedies. The rights and remedies of any of the parties are not mutually exclusive, and the exercise of one or more of the provisions of this Lease will not preclude the exercise of any other provisions. Each of the parties confirms that damages at law may be an inadequate remedy for a breach or threatened breach of any provision hereof. The respective rights and obligations hereunder will be enforceable by specific performance, injunction, or other equitable remedy, but nothing herein contained is intended to limit or affect any rights at law or by statute or otherwise of any party aggrieved as against the other parties for a breach or threatened breach of any provision hereof, it being the intent of this paragraph to make clear the agreement of the Parties that the respective rights and obligations of the Parties hereunder will be enforceable in equity as well as at law or otherwise.

16.8 Severability. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction will in no way affect the validity of any other provision hereof provided that the overall intent of this Lease may still be implemented in the absence of such invalid provision.

16.9 Enforceability and Litigation Expenses. If any action, suit, or proceeding is brought by either Party to this Lease with respect to a matter or matters covered by this Lease or if a Party finds it necessary to retain an attorney to enforce its rights under this Lease, all costs and expenses of the prevailing Party incident to such proceeding or retention, including reasonable attorney's fees, will be paid by the non-prevailing Party. This paragraph survives expiration or termination of this Lease.

16.10 Authorization. Each individual executing this Lease represents and warrants (i) that he or she is authorized to do so on behalf of the respective Party hereto, (ii) that he or she has full legal power and authority to bind the respective Party hereto, and if necessary, has obtained all required consents or delegations of such power and authority, and (iii) that the execution, delivery and performance by the respective Party hereto of this document will not constitute a default under any agreement to which it is a party.

16.11 Recordation. This Lease may not be recorded on behalf of either party.

17. Waiver of Trial by Jury.

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE, OR TO REQUEST THE CONSOLIDATION OF, ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

IN WITNESS WHEREOF, the parties to this Lease have executed this Lease in duplicate on the last date indicated below.

LESSOR
PACIFICORP,
an Oregon corporation

By: Jana Mejdell
Jana Mejdell,
Director, Real Estate Management
Date: 11-11-16

LESSEE
SEASIDE FACTORY OUTLET
CENTER, LLC, a Delaware limited
liability company

By: Leah J. Robbins
Leah Robbins
Manager
Date: 10/6/16

EXHIBIT A
Page 1 of 1
Description of the Premises



The Premises are shown outlined in red.

The above-described Premises has not been surveyed and all distances shown are approximate. In the event of any errors or ambiguity in the description, or misunderstanding with respect to the location or extent of the Premises, Lessor reserves the right to resolve the dispute or ambiguity and to designate the configuration and area in dispute on the ground. In case of disagreement, Lessor's designated representative's decision will be final. Lessor reserves the right at any time to redefine or mark the Premises and to substitute or replace the legal description in this **Exhibit A**.