

March 22, 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—Non-Exclusive Temporary Use Easement with Cascade Living Group

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

Cascade Living Group, dba Jefferson Lodge Memory Care Community (Cascade), owns and operates a senior care facility in Polk County, Oregon, which is adjacent to one of PacifiCorp's pole storage yards (Property). PacifiCorp recently discovered that a portion of Cascade's parking lot is encroaching on PacifiCorp's Property. In order to prevent Cascade from establishing prescriptive rights to a portion of the Property, while allowing Cascade to continue to use its parking lot, PacifiCorp and Cascade entered into a Non-Exclusive Temporary Use Easement agreement (Agreement), which is attached hereto as Attachment A.

PacifiCorp determined that the portion of Cascade's parking lot encroaching on the Property is equal to approximately 809 square feet in size. The market value of the portion of the Property subject to the Agreement was determined by averaging current area comparable property values at \$4.79 per square foot, or \$3,875.11. The term of the Agreement is twenty years, with annual rent payments of \$2,800 for the first five years, with rent amounts increasing each five years thereafter, based on the change in the consumer price index. The value of the Agreement is currently estimated to be \$58,570 over the twenty-year term.

By entering into the Agreement, PacifiCorp is protecting its ownership in the Property while receiving additional revenue in exchange for Cascade's use of a portion of the Property. The Agreement contains standard provisions protecting PacifiCorp's ownership and use of the Property; therefore, Cascade's use of the property will not interfere with PacifiCorp's ability to operate its facilities. The public is not harmed 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

Public Utility Commission of Oregon

March 22, 2017

Page 2

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

NON-EXCLUSIVE TEMPORARY USE EASEMENT AGREEMENT

NON-EXCLUSIVE TEMPORARY USE PERMIT

This NON-EXCLUSIVE TEMPORARY USE PERMIT ("Permit"), including all attached Exhibits, is entered into by and between PACIFICORP, an Oregon corporation ("PacifiCorp") and CASCADE LIVING GROUP-OREGON, LLC, a Washington limited liability company DBA JEFFERSON LODGE MEMORY CARE COMMUNITY ("Permittee"), each a "Party" and together the "Parties".

RECITALS

- A. PacifiCorp owns that certain real property known as tax lot 7533BC400 located in Section 33 of Township 7 South, Range 5 West, W.M., Polk County, Oregon as more particularly shown on Exhibit A ("Property")
- B. Permittee acknowledges that its parking lot is encroaching upon a portion of the Property and wishes to continue to use that portion of the Property with PacifiCorp's permission.
- C. PacifiCorp wishes to grant Permittee permission to use the Premises (as defined below), subject to the terms and conditions contained in this Permit.

TERMS AND CONDITIONS OF AGREEMENT

NOW THEREFORE, PacifiCorp and Permittee agree as follows:

1. Premises. That portion of the Property ("Premises") as more particularly shown in Exhibit A.
2. Term. This Permit commences on September 1, 2016, and terminates on August 31, 2036.
3. Purpose and Use; Property Boundaries; Condition of Premises.

3.1 Purpose and Use. Permittee's use of the Premises is solely for a portion of Permittee's parking lot ("Use"). This Permit is non-exclusive and in no way authorizes Permittee to access or use any of PacifiCorp lands not specifically referenced herein. Permittee will only use customary commuter vehicles upon the Premises. Permittee's employees, invitees, Permittees and agents ("Permittee's Representatives") may participate in the Use of the Premises, provided Permittee's Representatives abide by the terms and conditions of this Permit as are applicable to Permittee. Permittee assumes all responsibility for the acts and omission of Permittee's Representatives and their compliance with the terms of this Permit. Permittee's Use is at Permittee's sole risk and PacifiCorp is not liable for personal injury or damage to Permittee's or any other party's property or equipment resulting from Permittee's Use of the Premises. PacifiCorp does not guarantee vehicular access across the Premises.

3.2 Property Boundaries. Permittee acknowledges that PacifiCorp has not surveyed the Property and makes no representations as to ownership or boundary line locations. Permittee is solely responsible for being aware of property boundaries.

3.3 Condition of Premises. PacifiCorp makes no representation or warranty as to the condition of the Premises. Permittee accepts the Premises AS-IS/WHERE-IS and with all faults.

4. Consideration. Beginning on September 1, 2016, and for each subsequent year of the Permit Term, Permittee must pay PacifiCorp a fee of Two Thousand Eight Hundred Dollars and 0/100 (\$2,800.00) per year, in advance for the following year, payable no later than September 1 of each Year. In years 5, 10, and 15 of the Permit 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 July index for the base and comparison month.

4.1 All payments to PacifiCorp should indicate the customer number assigned to the Permit (10006121) and must be sent to:

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

4.2 Late Payments. Any charges that are not paid when due will incur a late charge equal to ten percent (10%) of the delinquent payment. In addition, any 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.

4.3 Holdover. If Permittee retains possession of the Premises or any part thereof after the termination of this Permit, Permittee will be deemed to have a month-to-month tenancy and the monthly installment of rent will be one hundred twenty-five percent (125%) the rate due and payable for the month immediately preceding such holdover. In addition, Permittee is obligated to pay to PacifiCorp all direct and consequential damages sustained by Permittee's retention of possession of the Premises. The provisions of this Section will not be deemed to limit or exclude any of PacifiCorp's rights of reentry or any other right granted to PacifiCorp under this Permit or at law.

5. Compliance with Laws. Permittee must comply with all federal, state and county laws, ordinances or regulations relating to Permittee's Use, including but not limited to sanitary and environmental laws, ordinances, rules and orders of appropriate governmental authorities.

6. Safety and Health/Accident and Damage Prevention. Permittee is solely responsible for being aware of and initiating, maintaining and supervising compliance with all safety laws, regulations, precautions, and programs in connection with Permittee's Use, including any safety precautions or programs implemented by PacifiCorp. Permittee will conduct its Use of the Premises to avoid the risk of bodily harm to persons or risk of damage to any property.

7. Improvements.

7.1 Written Consent. Permittee must not make any improvements or changes to the Premises, including without limitation grading or excavating, without PacifiCorp's prior written consent. Permittee must provide PacifiCorp with detailed plans and specifications for any proposed change or improvement and PacifiCorp may conditionally approve, modify or deny the request in its sole discretion. Permittee agrees to make all approved improvements in a good and workmanlike manner and acknowledges that all such improvements shall be made at Permittee's sole cost and expense.

7.2 Maintenance of Improvements: Permittee agrees to keep and maintain all improvements existing upon the Premises at the commencement of this Permit, if any, in good condition and will perform all routine maintenance and repairs on them at Permittee's expense. Permittee must not remove, or allow any other person to remove, any improvements existing at the commencement of this Permit without PacifiCorp's prior written approval.

7.3 Ownership, Cost and Removal of Improvements: All improvements made by Permittee remain the property of PacifiCorp. Permittee is not entitled to any compensation for any existing or future improvements made to the Premises. If PacifiCorp is required to remove any improvements made by Permittee, Permittee agrees to reimburse PacifiCorp for all costs incurred by PacifiCorp within thirty (30) days of Permittee's receipt of PacifiCorp's request for reimbursement. Permittee's obligation to reimburse such costs survives expiration or termination of this Permit.

8. Environmental Liability: Permittee must not install, use, generate, store or dispose of on or about the Premises any hazardous substances, toxic chemicals, pollutants or such other materials (collectively "Hazardous Materials"), subject to regulation by or under any federal, state and local laws and ordinances relating to the protection of the environment or the keeping, use or disposition of environmentally hazardous materials, substances, or wastes, presently in effect or hereafter adopted, all amendments to any of them, and all rules and regulations issued pursuant to any of such laws or ordinances (collectively, "Environmental Laws").

In addition, Permittee agrees that it: (a) shall not cause or suffer to occur, the release, discharge, escape, or emission of any Hazardous Materials at, upon, under, or within the Premises or any contiguous or adjacent property; (b) shall not engage in activities at the Premises that could result in, give rise to, or lead to the imposition of liability upon Permittee or PacifiCorp or the creation of a lien upon the Premises or Property; (c) shall notify PacifiCorp promptly following receipt of any knowledge with respect to any actual release, discharge, escape, or emission (whether past or present) of any Hazardous Materials at, upon, under, or within the Premises; and (d) shall promptly forward to PacifiCorp copies of all orders, notices, permits, applications, and other communications and reports in connection with any release, discharge, escape, or emission of any Hazardous Materials at, upon, under, or within the Premises or any contiguous or adjacent premises.

Permittee agrees to indemnify, defend and hold harmless PacifiCorp, its officers, directors, partners, members, employees, agents, successors and assigns ("PacifiCorp Indemnified Parties") from and against any and all liability, loss or expense, including attorneys'

PacifiCorp Parcel: ORPK-0008

Customer #10006121

OTUP2015Rev2

fees, arising in connection with any federal or state statute, law, ordinance, regulation or judgment related to the existence, disposal or release of contaminants or pollutants brought onto the Premises by Permittee, or Permittee's Representatives.

9. PacifiCorp Reserved Rights and Access. This Permit is subject to PacifiCorp's rights to access the Property or Premises at any time for any purpose. Permittee's use of the Premises must not interfere with use by PacifiCorp, PacifiCorp's employees, agents, representatives or other permittees.

10. Indemnification. Permittee expressly assumes all risk in connection with its use of the Premises. Permittee will indemnify, protect, and hold harmless PacifiCorp and its directors, officers, representatives, employees and agents (collectively "PacifiCorp 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 PacifiCorp Indemnified Parties resulting from, arising out of, or in any way connected with any act, omission, fault or negligence of Permittee, its employees, agents, representatives or contractors, their employees, agents or representatives in the performance or nonperformance of Permittee's obligations under this Permit or in any way related to this Permit except to the extent that such claim, demand, loss, cause of action, or costs arises from PacifiCorp's gross negligence or willful misconduct. This obligation will survive expiration or termination of this Permit.

11. Insurance. Without limiting any liabilities or any other obligations of Permittee, Permittee 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 Permit or Permittee's use or occupancy of the Premises as follows:

11.1 Commercial General Liability. Permittee shall maintain commercial general liability insurance on the most recently approved Insurance Services Office ("ISO") policy form, 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:

- a. Premises and operations coverage
- b. Contractual liability
- c. Coverage for explosion, collapse, and underground property damage
- d. Broad form property damage liability
- e. Personal and advertising injury liability, with the contractual exclusion removed
- f. Sudden and accidental pollution liability, as applicable

11.2 Business Automobile Liability. Permittee shall maintain business automobile liability insurance on the most recently approved ISO policy form, or its equivalent, with a minimum single limit of \$1,000,000 each accident for bodily injury and property damage including sudden and accidental pollution liability, with respect to Permittee's vehicles whether owned, hired or non-

owned, assigned to or used in the performance of the Work. If applicable, the automobile liability policy will include pollution liability coverage.

11.3 Umbrella Liability. 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 Permittee's Use and indemnification as identified in this Permit.

11.4 Other Provisions. Company does not represent that the insurance coverages specified herein (whether in scope of coverage or amounts of coverage) are adequate to protect the obligations of Permittee, and Permittee shall be solely responsible for any deficiencies thereof.

The policies required herein shall include provisions or endorsements naming Company, its parent, divisions, affiliates, subsidiary companies, co-Permittees, co-venturers, officers, directors, agents, employees, servants and insurers as additional insureds or loss payees, as applicable to specific insurance coverage. The commercial general liability additional insured endorsement shall be ISO Form CG 20 10 and ISO Form CG 20 37, or their equivalents.

To the extent of Permittee's negligent acts or omissions, all policies required by this Permit shall include: (i) provisions that such insurance is primary insurance with respect to the interests of Company and that any other insurance maintained by Company (including self-insurance) is excess and not contributory insurance with the insurance required hereunder; and (ii) provisions that the policy contain a cross liability or severability of interest clause or endorsement in the commercial general liability and automobile liability coverage. Unless prohibited by applicable law, all required insurance policies shall contain provisions that the insurer will have no right of recovery or subrogation against Company, its parent, divisions, affiliates, subsidiary companies, co-Permittees or co-venturers, agents, directors, officers, employees, servants, and insurers, it being the intention of the Parties that the insurance as effected shall protect all of the above-referenced entities evidenced by waiver of subrogation wording.

A certificate of insurance shall be furnished to Company confirming the issuance of such insurance prior to commencement of work or use of permit. Should a loss arise during the term of the Permit that may give rise to a claim against Permittee and/or Company as an additional insured, Permittee shall deliver to Company (or cause to be delivered to Company) certified copies of such insurance policies. Permittee shall not cancel or reduce limits of liability without (i) ten (10) calendar days prior written Notice to Company if canceled for nonpayment of premium; or (ii) thirty (30) calendar days prior written Notice to Company if canceled for any other reason. Lack of notification shall be considered a material breach of this Contract.

Permittee shall require Subcontractors who perform Work on the premises to carry liability insurance (auto, commercial general liability and excess) and workers' compensation/employer's liability insurance commensurate with their respective scopes of work. Permittee shall remain responsible for any claims, lawsuits, losses and expenses included defense costs that exceed any of its Subcontractors' insurance limits or for uninsured claims or losses.

12. Termination. If Permittee violates of any covenant or provision of this Permit and the delinquency or violation is not corrected immediately, PacifiCorp may immediately or at any time thereafter while such default continues, terminate this Permit, repossess the Premises and

expel Permittee without further notice. Such termination and repossession will be without prejudice to any other remedies that might be available to PacifiCorp in law or equity for damages or otherwise.

Notwithstanding any other provision in this Permit, either party shall have the right to terminate this Permit for any reason by giving the other party thirty (30) days' advance written notice, provided PacifiCorp shall not terminate this Permit for the sole purpose of granting a similar Permit to another party. In the event this Permit is terminated as set forth in this paragraph, any prepaid Annual Base Rent shall be prorated based on the actual termination date and reimbursed by PacifiCorp to Permittee, unless such termination is due to Permittee's Breach, in which event PacifiCorp may retain such prepaid rent as PacifiCorp deems necessary to offset its damages and expenses resulting from the Breach.

13. Liens. Permittee must keep the Premises free from all liens and encumbrances in connection with Permittee's Use.

14. Notices. Wherever in this Permit notice is provided or required to be given by one Party to another, 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, from time to time, designate for that purpose:

PACIFICORP

PacifiCorp
Attn: Property Management Dept.
825 NE Multnomah St., Ste. 1700
Portland, OR 87232

Phone: 503-813-5700

PERMITTEE

Cascade Living Group
Attn: Tom Stanley
19119 Northcreek Pkwy, Suite 102
Bothell, WA 98011

Phone: 425-408-9141

15. Waiver. No failure by PacifiCorp to insist upon the strict performance of any provision of this Permit, 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. Enforceability and Litigation Expenses. If any action, suit, or proceeding is brought by either Party with respect to a matter or matters covered by this Permit, all costs and expenses of the prevailing Party incident to such preceding, including reasonable attorneys' fees, will be paid by the non-prevailing Party. This paragraph will survive expiration or termination of this Permit.

17. Authorization. Each individual executing this Permit represents and warrants (i) that he or she is authorized to do so on behalf of the respective Party, (ii) that he or she has full legal power and authority to bind the respective Party, 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 of this document will not constitute a default under any agreement to which it is a party.

18. Applicable Law. This Permit will be construed in accordance with and governed by the laws of the State of Oregon. This Permit is subject to any order, regulation, or rule of any governmental agency having jurisdiction.

19. Interpretation. Each Party has participated in the drafting of this Permit and the Parties intend and agree that there will be no presumption applied against the drafter of any provision of this Permit.

20. JURY WAIVER. 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 PERMIT. 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.

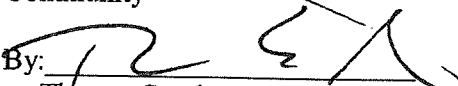
21. Execution in Counterparts; Electronic Transmittal. This Permit may be executed in counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument. Said counterparts may be transmitted by one Party to the other by facsimile or electronic mail.

22. Alcohol, Drugs, Firearms, Fires and Tobacco Prohibited. Permittee, its employees, agents, invitees and/or contractors must not use, consume, or bring on to the Premises alcohol, marijuana, illegal drugs, firearms or tobacco products. Campfires or burn piles are prohibited on the Premises.

IN WITNESS WHEREOF, the Parties to this Permit have executed this Permit as of the last date written below.

PERMITTEE:

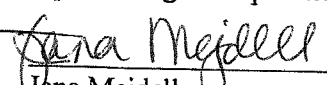
Cascade Living Group-Oregon, LLC,
a Washington limited liability company
DBA Jefferson Lodge Memory Care
Community

By: 
Thomas Stanley
Manager

Date: 12/15/16

PACIFICORP:

PacifiCorp, an Oregon corporation

By: 
Jana Mejdell,
Director, Real Estate Management

Date: 1-23-17

EXHIBIT A
The Premises
(Outlined in Red)



The above-described Property 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 Property, PacifiCorp 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, PacifiCorp's designated representative's decision will be final. PacifiCorp reserves the right at any time to redefine or mark the Property and to substitute or replace the legal description in this **Exhibit A**.