



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

March 14, 2017

VIA ELECTRONIC FILING

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

Attn: Filing Center

RE: UP ___ —PacifiCorp's Application for an Asset Exchange Agreement

PacifiCorp d/b/a Pacific Power encloses for filing its Application for an Asset Exchange Agreement.

PacifiCorp respectfully requests that all 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 Street, Suite 2000
Portland, Oregon, 97232

Please direct informal inquiries with respect to this filing to Natasha Soares at (503) 813-6583.

Sincerely,


R. Bryce Dalley
Vice President, Regulation

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UP _____

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for an Order Approving Property
Exchange Agreement with Monarch
Development of Salt Lake.

APPLICATION OF PACIFICORP

Under ORS 757.480(1)(a) and in accordance with OAR 860-027-0025, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) seeks approval from the Public Utility Commission of Oregon (Commission) of the asset exchange transaction described in the Property Exchange Agreement, dated July 13, 2016 and executed August 8, 2016 (the Agreement), between PacifiCorp and Monarch Development of Salt Lake, a non-affiliate (Monarch). The purpose of the Agreement is for PacifiCorp to perfect its ownership rights for the Camp Williams – Spanish Fork 345kV, Camp Williams – Steel Mill 345kV, and the Oquirrh – Tri City 138kV transmission corridor (Transmission Corridor) in Salt Lake County, Utah. Monarch desired to acquire approximately 2.92 acres of property (PacifiCorp Property) located adjacent to, but outside of, the Transmission Corridor, to accommodate its future development plans. In exchange, the Agreement provided for Monarch to quitclaim to PacifiCorp approximately 3.65 acres of property (Monarch Property) adjacent to the PacifiCorp Property and within the Transmission Corridor, making it more conducive to meeting the current and future needs for the provision of electric service to Company’s customers.

I. BACKGROUND

PacifiCorp owns property in Salt Lake County, Utah that is associated with the Transmission Corridor. Portions of that property are located inside the Transmission Corridor, and are essential to PacifiCorp's provision of reliable electric service, while other portions of that property are adjacent to the Transmission Corridor and, accordingly, are not related to PacifiCorp's provision of reliable electric service to its customers.

Monarch desired to acquire approximately 2.92 acres of property (PacifiCorp Property) located adjacent to, but outside of, the Transmission Corridor, to accommodate its future development plans. The 2.92 acres is part of a 6.30 acre parcel that lies mostly within the Transmission Corridor. In exchange, the Agreement provided for Monarch to quitclaim to PacifiCorp approximately 3.65 acres of property (Monarch Property) adjacent to the PacifiCorp Property and within the Transmission Corridor, making it more conducive to meeting the current and future needs for the provision of electric service to Company's customers. The exchange allows PacifiCorp to perfect its ownership rights and widen the Transmission Corridor from 110 feet to 184 feet. The Agreement also included two smaller transactions, including the grant by Monarch to PacifiCorp of a new private road access easement and a temporary construction easement for the use of an existing road. The land value in the area is \$3.00 per square foot or \$130,680.00 an acre. The Agreement provided for the payment by Monarch to PacifiCorp of \$37,875.00 in cash, which represents the difference in value between the PacifiCorp Property and the Monarch Property taking into account the value of an existing 110 foot easement held by PacifiCorp within the Monarch Property.

The PacifiCorp Property transferred to Monarch was classified as utility property (FERC account 350) and is system-allocated. The property acquired from Monarch has been added to the same asset class as the original 6.30 acres parcel and is therefore also classified as utility property.

The Agreement was signed on August 8, 2016, but the property exchange did not close until October 24, 2016, when the Special Warranty Deed for the Monarch Property and the Special Warranty Deed for the PacifiCorp Property were each recorded in Salt Lake County, Utah. The timing delay between signing the Agreement and closing was caused by the fulfillment of certain conditions precedent, including required rezoning and lot line corrections. The Company notes that it previously filed a notice of the property exchange under ORS 757.480(2), based on the dollar amount difference in value between the PacifiCorp Property and the Monarch Property and the closing date of October 24, 2016. The Company files this Application for approval of the property exchange following discussions with Commission Staff.

A recorded copy of the Special Warranty Deed evidencing the transfer of the PacifiCorp Property to Monarch is included with this Notice as Attachment A. A recorded copy of the Special Warranty Deed evidencing the transfer of the Monarch Property to PacifiCorp is included with this Notice as Attachment B. A copy of the Agreement, provided for reference, is included with this Notice as Attachment C.

II. COMPLIANCE WITH OAR 860-027-0025(1) FILING REQUIREMENTS

A. Name and Address

The Company's exact name and address of its principal business office are:

PacifiCorp
825 NE Multnomah Street

Portland, OR 97232

B. State in which incorporated; date of incorporation; other states in which authorized to transact utility business

PacifiCorp is a corporation organized and existing under and by the laws of the State of Oregon. PacifiCorp's date of incorporation is August 11, 1987. PacifiCorp is authorized to provide retail electric service in Oregon, California, Idaho, Utah, Washington, and Wyoming.

C. Communications and notices

All notices and communications with respect to this Application should be addressed to:

Jeffery B. Erb
Assistant General Counsel
Pacific Power
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Telephone: 503.813.5029
Email: jeff.erb@pacificorp.com

PacifiCorp Oregon Dockets
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Email: OregonDockets@pacificorp.com

Additionally, PacifiCorp respectfully requests that all 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 St., Suite 2000
Portland, OR 97232

Informal inquiries should also be directed to Natasha Siores, State Regulatory Affairs Manager at (503) 813-6583.

D. Principal officers

NAME	TITLE
Gregory E. Abel	Chairman of the Board & Chief Executive Officer
Cindy A. Crane	President & Chief Executive Officer, Rocky Mountain Power

Stefan Bird	President & Chief Executive Officer, Pacific Power
Nikki L. Kobliha	Vice President, Chief Financial Officer & Treasurer

E. Description of business; designation of territories served

The Company engages in the generation, purchase, transmission, distribution, and sale of electric energy in Benton, Clackamas, Clatsop, Coos, Crook, Deschutes, Douglas, Gilliam, Hood River, Jackson, Jefferson, Josephine, Klamath, Lake, Lane, Lincoln, Linn, Marion, Morrow, Multnomah, Polk, Sherman, Tillamook, Umatilla, Wallowa, Wasco, and Washington Counties in Oregon. PacifiCorp also engages in the generation, purchase, transmission, distribution, and sale of electric energy in the states of California, Idaho, Utah, Washington, and Wyoming.

F. Statement showing for each class and series of capital stock: brief description; amount authorized; amount outstanding; amount held as required securities; amount pledged; amount owned by affiliated interests; amount held in any fund

Not applicable. This transaction does not involve the sale of financial instruments or PacifiCorp capital stock.

G. Statement showing for each class and series of long-term debt and notes: brief description of amount authorized; amount outstanding; amount held as required securities; amount pledged; amount held by affiliated interests; amount in sinking and other funds

Not applicable. This transaction does not involve the sale of long-term debt or notes.

H. Purpose of application; description of consideration and method of arriving at amount thereof

The purpose of this application is to satisfy ORS 757.480 and OAR 860-027-0025. The property exchange allows PacifiCorp to perfect its ownership rights and widen the Transmission Corridor from 110 feet to 184 feet, while allowing Monarch to pursue future development plans. The consideration for this transaction was calculated at \$3.00 per square foot or \$130,680.00 per acre.

I. Statement of facilities to be disposed of; description of present use and proposed use; inclusion of all operating facilities of parties to the transaction

The properties involved in this exchange include approximately 2.92 acres of PacifiCorp Property located adjacent to, but outside of, the Transmission Corridor. The 2.92 acres is part of a 6.30 acre parcel that lies mostly within the Transmission Corridor, with the 2.92 acres just outside the Transmission Corridor. The exchange also includes approximately 3.65 acres of Monarch Property adjacent to the PacifiCorp Property, which is within the Transmission Corridor. As part of the transaction, the Company retired a 110 foot easement that existed on the Monarch Property. The property exchange will not interfere with PacifiCorp's ability to provide reliable service to its customers after the effective date of the transaction.

J. Statement by primary account of cost of the facilities and applicable depreciation reserve

The net book value included in Electric Plant in Service, FERC Account 35010 (transmission lands) of the 2.92 acres of PacifiCorp Property was \$4,033. The book value included in FERC account 35020 (transmission lands) of the retired easement was \$10,037.

K. Required filings with other state or federal regulatory bodies

Not applicable. This transaction does not require any other regulatory filings.

L. Facts relied upon by applicant to show transaction is in the public interest

ORS 757.480 requires Commission pre-approval for sales of property necessary and useful in the performance of a utility's duties to the public with a value in excess of \$100,000. OAR 860-027-0025(1)(l) requires PacifiCorp to show that such a proposed sale is "consistent with the public interest." The Commission has previously held that this standard

requires a “no harm” showing.¹ The property exchange will not harm customers. The exchange allows PacifiCorp to perfect its ownership rights and widen the Transmission Corridor from 110 feet to 184 feet which will potentially benefit the Company and its customers. The exchange will not cause harm to the Company’s customers.

M. Reasons relied upon for entering into the proposed transaction; benefits to customers

Please refer to sections H. and L. above, as well as the Background section.

N. 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

Not applicable. This transaction does not involve the sale of stock or other financial instruments.

O. Statement of franchises held; date of expiration; facilities of transferees

Not applicable. The transaction will not affect PacifiCorp’s Oregon service territory in any way.

**III. COMPLIANCE WITH OAR 860-027-0025(2)
FILING REQUIREMENTS**

A. Exhibit A—Articles of Incorporation

Not applicable. Review of the Articles of Incorporation would not advance the Commission’s analysis of this Application because the subject transaction involves the

¹ See, e.g., *In the Matter of a Legal Standard for Approval of Mergers*, Docket No. UM 1011, Order No. 01-778 (Sept. 4, 2001) (“The remainder of the statutory scheme, those statutes governing transfer, sale, affiliated interest transactions, and contracts, either expresses no standard (for instance, ORS 757.480, .485) and has been read to require a no harm standard, or contains a ‘not contrary to the public interest’ standard (ORS 757.490, .495.)”) (emphasis added); *In the Matter of the Application of PacifiCorp*, Docket No. UP 168, Order No. 00-112, at 6 (Feb. 29, 2000) (regarding the sale of the Centralia generating plant); *In the Matter of Portland General Electric*, Docket No. UP 158, Order No. 00-111, at 2 (Feb. 29, 2000) (regarding the sale of the Colstrip generating units); *In the Matter of the Application of Portland General Electric*, Docket Nos. UP 165/UP 170, Order No. 99-730, at 7 (Nov. 29, 1999) (regarding the sale of the Centralia generating plant).

conveyance of utility property and does not affect the Company's corporate structure or governance.

B. Exhibit B—Bylaws

Not applicable. Review of PacifiCorp's bylaws would not advance the Commission's analysis of this Application because the subject transaction involves the conveyance of utility property and does not affect the Company's corporate structure or governance.

C. Exhibit C—Resolution of directors authorizing transaction

Not applicable. This transaction did not require approval from the Company's board of directors.

D. Exhibit D—Mortgages, trust, deeds or indentures securing obligation of each party

Not applicable.

E. Exhibit E—Balance sheet 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

Not applicable. The transaction will not materially affect the Company's balance sheet.

F. Exhibit F—Known contingent liabilities

There are no known contingent liabilities associated with this transaction.

G. 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

Not applicable. The transaction will not materially affect the Company's income statement.

H. Exhibit H—Analysis of surplus for the period covered by income statements referred to in G

Not applicable. The transaction will not materially affect the Company's income statement.

I. Exhibit I—Copy of contract for transaction and other written instruments

A recorded copy of the Special Warranty Deed evidencing the transfer of the PacifiCorp Property to Monarch is included with this Notice as Attachment A. A recorded copy of the Special Warranty Deed evidencing the transfer of the Monarch Property to PacifiCorp is included with this Notice as Attachment B. A copy of the Agreement, provided for reference, is included with this Notice as Attachment C.

J. Exhibit J. Copy of each proposed journal entry to be used to record the transaction

Please see the proposed journal entries attached hereto as Attachment D.

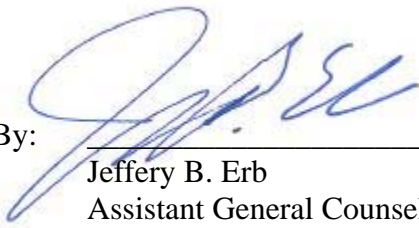
K. Exhibit K. Copy of each supporting schedule showing the benefits, if any, which each applicant relies upon to support the facts required by (1)(l) of this rule and reasons as required by (1)(m)

This Application and attachments contain the necessary information to demonstrate the benefits of this transaction and for the Commission to base its decision. However, the Company is prepared to provide additional information as requested by the Commission.

IV. PRAYER FOR RELIEF

PacifiCorp respectfully requests a Commission order (1) finding that the property exchange, as described herein, will not harm the Company's customers and is consistent with the public interest; and (2) granting other such relief as the Commission deems necessary and proper.

Respectfully submitted this 14th day of March 2017,

By: 

Jeffery B. Erb
Assistant General Counsel
Pacific Power

ATTACHMENT A
Special Warranty Deed
(Transfer of PacifiCorp Property to Monarch)

When Recorded, mail to:

Monarch Development of Salt Lake
Attn: Marla Howard
6914 South 3000 East, Suite 101
Salt Lake City, UT 84121
Parcel No UTSL-0724
File # 36001
Tax ID No. 33-22-400-001

12398122
10/26/2016 12:45:00 PM \$15.00
Book - 10492 Pg - 3512-3514
Gary W. Ott
Recorder, Salt Lake County, UT
NATIONAL TITLE AGCY OF UT INC
BY: eCASH, DEPUTY - EF 3 P.

Escrow No. *16-2348*

Special Warranty Deed

Rocky Mountain Power, an unincorporated division of PacifiCorp, Successor in Interest to Utah Power & Light Company, organized and existing under the laws of the State of Utah, with its principal office at 1407 West North Temple Street, Suite 110, Salt Lake City, County of Salt Lake, State of Utah, Grantor, hereby conveys and warrants against all who claim by, through or under it to

MONARCH DEVELOPMENT OF SALT LAKE, L.L.C., a Utah limited liability company, Grantee of Salt Lake City, County of Salt Lake, State of Utah,

for the sum of TEN DOLLARS and other good and valuable consideration the following described tract of land in Salt Lake County, State of Utah:

See Exhibit "A" attached hereto and incorporated herein by this reference;

The officers who sign the within instrument certify that the transfer represented thereby was duly authorized under a resolution duly adopted by the Board of Directors of the Grantor at a lawful meeting duly held and attended by a quorum.

IN WITNESS WHEREOF, said Grantor has caused its corporate name and seal to be hereunto affixed by its duly authorized officers, this 24th day of October, A.D., 2016

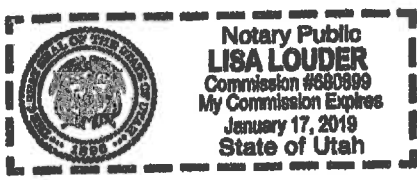
Rocky Mountain Power, an
unincorporated division of
PacifiCorp, Successor in Interest to
Utah Power & Light Company

Cindy A. Crane
By: Cindy A. Crane
Its: President

STATE OF UTAH)
)ss.
County of Salt Lake)

On the 24th day of October, 2016, personally appeared before me Cindy A. Crane, who being by me duly sworn, did say that she is the President of Rocky Mountain Power, an unincorporated division of PacifiCorp, Successor in Interest of Utah Power & Light Company, and that the foregoing instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors, and the said President acknowledged to me that said corporation executed the same.

Lisa Louder
NOTARY PUBLIC
My Commission Expires: 1.17.2019



“EXHIBIT A”

PARCEL 1 (Area A)

Beginning at point being South 89°39'19" East 156.06 feet along the section line from the Center of Section 22, Township 4 South, Range 1 West, Salt Lake Base and Meridian (said Center of Section being North along the section line 2619.39 feet from the South Quarter Corner of said Section 22); and running thence South 89°39'19" East 241.84 feet; thence South 06°48'00" East 498.27 feet; thence North 31 °35'54" West 572.11 feet to the point of beginning.

PARCEL 2 (Area B)

Beginning at a point being South 659.84 feet along the section line and East 345.37 feet from the Center of Section 22, Township 4 South, Range 1 West, Salt Lake Base and Meridian (said Center of Section being North along the section line 2619.39 feet from the South Quarter Corner of said Section 22); and running thence South 31 °35'54" East 309.94 feet; thence South 06°48'00" East 392.80 feet; thence North 89°34'05" West 131.04 feet; thence North 06°48'00" West 657.67 feet to the point of beginning.

Sidwell No: part of 33-22-400-001-0000

ATTACHMENT B

Special Warranty Deed

(Transfer of Monarch Property to PacifiCorp)

12398125
10/26/2016 12:47:00 PM \$14.00
Book - 10492 Pg - 3531-3532
Gary W. Ott
Recorder, Salt Lake County, UT
NATIONAL TITLE AGCY OF UT INC
BY: eCASH, DEPUTY - EF 2 P.

PREPARED BY & RETURN TO:

Rocky Mountain Power
1407 W. North Temple #110
Salt Lake City, UT 84116

File No: 16-2349
Parcel Number: 33-22-100-007-0000; 33-22-200-
029-0000; 33-22-400-020-0000

--Space above for recorder's use--

SPECIAL WARRANTY DEED

MONARCH DEVELOPMENT OF SALT LAKE, L.L.C.,
of 6914 South 3000 East, Ste 101, Salt Lake City, UT 84121,

Grantor,

hereby conveys and warrants against all who claim by, through or under the Grantor to

ROCKY MOUNTAIN POWER, an unincorporated division of PacifiCorp,

Grantee,

Of Salt Lake City, UT

for the sum of Ten Dollars and other good and valuable consideration, the following described land and property in Salt Lake County, Utah, to-wit:

PARCEL 1:

Beginning at the center of Section 22, Township 4 South, Range 1 West, Salt Lake Base and Meridian (said center of Section being North along the section line 2619.39 feet from the South quarter corner of said Section 22), and running thence North 45.00 feet; thence South 70°24'00" West 76.83 feet; thence North 31°35'54" West 61.34 feet; thence North 70°24'00" East 110.94 feet; thence North 144.06 feet; thence South 31°35'54" East 297.85 feet; thence North 89°39'19" West 156.06 feet to the point of beginning.

PARCEL 2:

Beginning at a point being South 488.23 feet along the section line and East 455.82 feet from the center of Section 22, Township 4 South, Range 1 West, Salt Lake Base and Meridian (said center of Section being North along the section line 2619.39 feet from the South quarter corner of said Section 22), and running thence South 31°35'54" East 973.00 feet; thence North 89°34'05" West 217.04 feet; thence North 31°35'54" West 459.65 feet; thence North 06°58'00" West 438.69 feet to the point of beginning.

PARCEL 3:

Beginning at a point being South 97.41 feet along the section line from the center of Section 22, Township 4 South, Range 1 West, Salt Lake Base and Meridian (said center

of said Section 22), and running thence South 32°01'00" East 648.63 feet; thence South 06°48'00" East 12.55 feet; thence North 31°35'54" West 659.15 feet; thence North 1.01 feet to the point of beginning.

SUBJECT TO all easements, rights-of-way, protective covenants and mineral reservations of record, if any.

WITNESS the hand of said Grantor this 24th day of October, 2016.

MONARCH DEVELOPMENT OF SALT LAKE,
L.L.C.

By: [Signature] (SEAL)
S. Val Staker, Manager

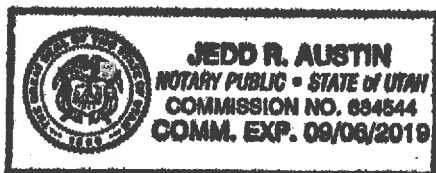
STATE OF UTAH

COUNTY OF SALT LAKE

} SS

The foregoing instrument was acknowledged before me this 24th day of October, 2016, by S. Val Staker, Manager of MONARCH DEVELOPMENT OF SALT LAKE, L.L.C., the limited liability company that executed the foregoing instrument.

WITNESS my hand and official seal.



[Signature]
Notary Public: _____
Residing At: SLC, UT
My Commission Expires: 9-6-19

ATTACHMENT C

Property Exchange Agreement

PROPERTY EXCHANGE AGREEMENT

BY AND BETWEEN

ROCKY MOUNTAIN POWER

AND

MONARCH DEVELOPMENT OF SALT LAKE

This Property Exchange Agreement ("Agreement") is entered into this 13 day of July, 2016, by and between Rocky Mountain Power, an unincorporated division of PacifiCorp ("Rocky Mountain Power"), and Monarch Development of Salt Lake, LLC, a Utah limited liability company ("Monarch Development"). Rocky Mountain Power and Monarch Development are sometimes individually referred to as a "Party" and collectively referred to in this Agreement as the "Parties." The effective date ("Effective Date") of this Agreement shall be the last date signed by both of the Parties.

RECITALS

A. Rocky Mountain Power owns one parcel of land (the "Rocky Mountain Power Parcel") located in Salt Lake County held for purposes in connection with its electrical utility operations. The Rocky Mountain Power Parcel is shown on the map attached hereto as Exhibit "A" and by this reference incorporated herein.

B. Monarch Development desires to acquire the Rocky Mountain Power Parcel to accommodate future development of the Monarch Development Parcels located at approximately 16300 South Camp Williams Road, in Bluffdale, Utah.

C. Rocky Mountain Power has agreed to convey fee title to the Rocky Mountain Power Parcel in exchange for replacement property that is more conducive to the current and future needs for electric service to Rocky Mountain Power customers, access to the replacement property and other consideration, all as further set forth in this Agreement.

NOW, THEREFORE, in exchange of the mutual promises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and received, the Parties agree to the following terms and conditions:

1. Property Exchange. Rocky Mountain Power agrees to convey the Rocky Mountain Power Parcel to Monarch Development at the Closing (as defined below) by Special Warranty Deed subject only to the Permitted Exceptions (as defined below) (the "Rocky Mountain Power Parcel Deed") in exchange for the purchase price of Thirty Seven Thousand Eight Hundred Seventy Five (\$37,875.00) Dollars and: (i) fee title to those certain parcels of real property (the "Monarch Development Parcels") identified in Exhibit "B" attached hereto and by this reference incorporated herein; (ii) the new Private Road Access Easement defined below; and (iii) a temporary construction easement for use of the existing road. Monarch Development agrees to convey to Rocky Mountain Power the Monarch Development Parcels at the Closing by

Special Warranty Deed subject only to the Monarch Development Parcel's Permitted Exceptions. The Rocky Mountain Parcel on the one hand, and the Monarch Development Parcels on the other hand, are sometimes referred to in this Agreement as an "Exchange Property."

2. Private Road Access Easement. Monarch Development agrees to grant to Rocky Mountain Power a nonexclusive easement and right-of-way to use the private roads (the "Private Roads") created within the the approximately 84 acres of real property owned or to be acquired by Monarch Development located at 16201 S Camp Williams Rdas shall be shown on the recorded plat thereof and which shall be in the approximate locations as depicted on the map attached hereto as Exhibit "C" (the "Private Roads Access Easement"). Rocky Mountain Power shall have the right to utilize the Private Roads Access Easement for vehicular ingress and egress between the Monarch Development Parcels acquired by Rocky Mountain Power and the public streets that connect to the Private Roads. The recorded plat for the approximately 84 acres of real property owned or to be acquired by Monarch Development located at 16201 S Camp Williams Rd. shall contain a note granting to Rocky Mountain Power the nonexclusive right to use the Private Roads. For the sake of clarity, Evidence of the Private Roads Access Easement shall exist solely in a note on the final plat. Rocky Mountain Power is a regulated company which requires approval from within the company and the States in which Rocky Mountain Power does business prior to granting any easement rights within Rocky Mountain Power's fee ownership, the value of which shall be determined by means of appraisal and/or brokers opinion. Rocky Mountain Power reserves the right to review and approve the location of any private roads and/or public utilities that crosses over Rocky Mountain Power's fee ownership, including that which is located within the the approximately 84 acres of real property owned or to be acquired by Monarch Development located at 16201 S Camp Williams Rd. Rocky Mountain Power reserves the right to use its fee ownership for its own business purposes, including the right to cross and re-cross with equipment, personnel, overhead or underground power lines, access roads, and to grant or convey additional uses to others.

3. Title and Permitted Exceptions.

(a) Monarch Development Parcels. Within ten (10) business days following the Effective Date, Monarch Development shall provide to Rocky Mountain Power a commitment for title insurance (the "Monarch Development Commitment") issued by National Title Agency of Utah (the "Title Company") pertaining to the Monarch Development Parcels. Rocky Mountain Power shall have ten (10) business days after the receipt of the Monarch Development Commitment to submit to Monarch Development any written objections to any matter set forth on Schedule B to the Monarch Development Commitment. Matters to which Rocky Mountain Power does not object shall be deemed "Monarch Development Parcels Permitted Exceptions." If Rocky Mountain Power objects to any matter set forth in Schedule B of the Monarch Development Commitment within the ten (10) business days provided above, Monarch Development shall exercise reasonable efforts to remove such exceptions; provided, however, that Monarch Development shall have no obligation to expend any money to remove any such exceptions, and if such exceptions cannot be reasonably removed prior to closing, Rocky Mountain Power's sole remedy shall be the termination of this Agreement. Monarch Development shall, at Closing, convey the Monarch Development Parcels to Rocky Mountain Power subject only to the Monarch Development Parcels Permitted Exceptions. Removal of all exceptions other than Monarch Development Parcels Permitted Exceptions is a condition to

Rocky Mountain Power's obligation to close this transaction. Rocky Mountain Power Parcel. Within ten (10) business days following the Effective Date, Rocky Mountain Power shall provide to Monarch Development a commitment for title insurance (the "Rocky Mountain Power Parcel Commitment") pertaining to the Rocky Mountain Power Parcel. Monarch Development shall have ten (10) business days after the receipt of the Rocky Mountain Power Parcel Commitment to provide any written objections to any matter set forth on Schedule B to the Rocky Mountain Power Parcel Commitment. Matters to which Monarch Development does not object shall be deemed "Permitted Exceptions." If Monarch Development objects to any matter set forth in Schedule B of the Rocky Mountain Power Parcel Commitment within the ten (10) business days provided above, Rocky Mountain Power shall use reasonable efforts to remove such exceptions; provided, however, that Rocky Mountain Power shall have no obligation to expend any money to remove any exceptions and if such exceptions cannot be reasonably removed prior to closing Monarch Development's sole remedy shall be the termination of this Agreement. Rocky Mountain Power shall, at Closing, convey the Rocky Mountain Power Parcel to Monarch Development subject only to the Rocky Mountain Power Parcel Permitted Exceptions. Removal of all exceptions other than the Rocky Mountain Power Parcel Permitted Exceptions is a condition to Monarch Development's obligation to close this transaction.

(b) AS IS Purchase. Monarch Development and Rocky Mountain Power acknowledge and agree that the Monarch Development Parcels are being acquired by Rocky Mountain Power and that the Rocky Mountain Power Parcel is being acquired by Monarch Development in "AS IS" condition, WITH ALL FAULTS, IF ANY, AND WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, and each of the Parties assumes all liabilities related to the Exchange Property acquired by such Party pursuant to this Agreement, except as expressly provided in this Agreement. Neither of the Parties nor any of their agents, representatives, or employees have made any representations or warranties, direct or indirect, oral or written, express or implied, to the other Party or their agents with respect to the condition of the Exchange Property to be acquired by such Party, its fitness for any particular purpose, or its compliance with any laws, and the Parties are not aware of and do not rely upon any such representation of any other person. The Parties acknowledge that, prior to the Closing Date (as defined below), (i) each Party and their agents shall have had the right and opportunity to enter the Exchange Property such Party is acquiring and to conduct and carry out any and all inspections, tests and studies as they have deemed appropriate in connection with the acquisition of such Exchange Property, including, without limitation, the condition of soils and subsurfaces, and the status of all zoning, permitting and other entitlements relevant to the use and contemplated use of such Exchange Property, (ii) each Party shall have had a full and complete opportunity to satisfy itself with respect to, and they have approved, all matters relating to the Exchange Property such Party is acquiring; and (iii) each Party shall have had the opportunity to review the all documents delivered by the other Party with respect to the Exchange Property and ask questions and satisfy itself with respect to any issues related to such documents.

4. Inspection and Environmental Review. Each Party shall have a thirty (30) day period beginning on the Effective Date (the "Due Diligence Period") to inspect and conduct environmental reviews of the real property to be acquired by such Party pursuant to this Agreement. Prior to the end of the Due Diligence Period, each Party shall have the right, in its sole discretion, to terminate this Agreement by giving written notice to the other Party that it is

not satisfied with the condition of the real property to be acquired by such Party pursuant to this Agreement. Each Party grants the other a license to enter upon the granting Party's real property to conduct surveys, environmental assessments, site analysis, soils tests, engineering studies and other investigations during the Due Diligence Period. Each Party agrees to repair any damage to the other Party's real property arising from the exercise of the rights conferred by this Section and to indemnify and hold the other Party free and harmless from any cost, expense, damage, liability or claim arising out of the negligence or other fault of the Party exercising the rights to inspect and review conferred by this Section. In the event Monarch Development's due diligence indicates, in Monarch Development's sole and absolute judgment and discretion, that the Rocky Mountain Power Parcel is suitable to Monarch Development, Monarch Development will send written notice (the "Notice of Suitability") to Rocky Mountain Power no later than the end of the Due Diligence Period. If (1) Monarch Development fails to send Rocky Mountain Power the Notice of Suitability on or before the last day of the Due Diligence Period and such failure continues for a period of 5 Business Days after written notice from Rocky Mountain Power, or (2) Monarch Development sends to Rocky Mountain Power a notice terminating this Agreement prior to sending the Notice of Suitability, this Agreement shall automatically terminate. In the event of such automatic termination, Rocky Mountain Power and Monarch Development shall have no further obligation to each other, except as expressly set forth in this Agreement.

5. Rocky Mountain Power Covenants, Representations and Warranties. Rocky Mountain Power does hereby covenant, represent, and warrant (which is deemed restated and remade as of Closing) as follows:

(a) Title. Rocky Mountain Power has good and marketable fee simple title to the Rocky Mountain Power Parcel.

(b) Pending Assessments. Rocky Mountain Power has no knowledge nor has received any notice of any pending proceeding for the imposition of any special assessment, or the formation of a special assessment district which would affect in any manner any portion of the Rocky Mountain Power Parcel.

(c) No Litigation or Other Breach. To the best of Rocky Mountain Power's knowledge, no litigation, administrative or other proceeding, order or judgment is pending or outstanding, or threatened against or relating to any portion of the Rocky Mountain Power Parcel.

(d) Land Use Restrictions. Rocky Mountain Power has no knowledge nor has received any notice that any governmental or quasi-governmental agency is contemplating, has initiated, or has in place any land use regulation or other restriction which would detrimentally affect the development or operation of the Rocky Mountain Power Parcel as contemplated in this Agreement.

(e) Compliance with Laws. Rocky Mountain Power has no knowledge nor has received any notice that the Rocky Mountain Power Parcel or any portion thereof, is not in full compliance with all building, environmental, land use, health, insurance and other applicable laws governing the use and operation thereof, nor does Rocky Mountain Power have knowledge

or notice of any facts or circumstances which with notice or the passage of time would constitute such a violation.

(f) Authority. Rocky Mountain Power has the right, power and authority to execute, deliver and perform this Agreement. The individuals executing this Agreement for Rocky Mountain Power represent and warrant that they have the power and authority to do so, and to bind Rocky Mountain Power to this Agreement.

6. Monarch Development Covenants, Representations and Warranties. Monarch Development does hereby covenant, represent, and warrant (which is deemed to be restated and remade as of closing) as follows:

(a) Title. Monarch Development has good and marketable fee simple title to the Monarch Development Parcels.

(b) Pending Assessments. Monarch Development has no knowledge nor has received any notice of any pending proceeding for the imposition of any special assessment, or the formation of a special assessment district which would affect in any manner any portion of the Monarch Development Parcels.

(c) No Litigation or Other Breach. To the best of Monarch Development's knowledge, no litigation, administrative or other proceeding, order or judgment is pending or outstanding, threatened against or relating to any portion of the Monarch Development Parcels.

(d) Land Use Restrictions. Monarch Development has no knowledge nor has received any notice that any governmental or quasi-governmental agency is contemplating, has initiated, or has in place any land use regulation or other restriction which would detrimentally affect the development or operation of the Monarch Development Parcels as contemplated in this Agreement.

(e) Compliance with Laws. Monarch Development has no knowledge nor has received any notice that the Monarch Development Parcels or any portion thereof, is not in full compliance with all building, environmental, land use, health, insurance and other applicable laws governing the use and operation thereof, nor does Monarch Development have knowledge or notice of any facts or circumstances which with notice or the passage of time would constitute such a violation.

(f) Authority. Monarch Development has the right, power and authority to execute, deliver and perform this Agreement, and the individuals executing this Agreement for Monarch Development represent and warrant that they have the power and authority to do so and to bind Monarch Development to this Agreement.

7. Closing. Closing (the "Closing") shall occur no later than one hundred and eighty (180) days after the Effective Date, at the office of National Title Agency of Utah, Inc. located at 6770 South 900 East, Suite 101, Salt Lake City Utah 84047 on a date and at a time mutually convenient to the Parties (the "Closing Date"), unless the Parties agree to extend the Closing Date. Each Party shall deposit with the closing office, on or before the time set for Closing, all necessary funds and executed documents, and shall do all other acts necessary for the Closing.

8. Subdivision and Approvals. Monarch Development shall obtain all governmental approvals in order to create legal subdivision lots for the Rocky Mountain Power Parcel and the the approximately 84 acres of real property owned or to be acquired by Monarch Development located at 16201 S Camp Williams Rd as required by Salt Lake County. Monarch Development shall undertake such activities if Monarch Development elects to proceed with the transaction after the expiration of the Due Diligence Period. Rocky Mountain Power shall not be required to incur application fees or costs in connection with Monarch Development's subdivision of the Exchange Properties. However, Rocky Mountain Power agrees to cooperate with Monarch Development during the subdivision process, including, without limitation, executing all applications or materials relating to the preliminary plat, the final plat, and all other related documents or materials (collectively, the "Subdivision Documents") required by Bluffdale City, Salt Lake County or any other governmental or quasi-governmental entity. Rocky Mountain Power shall execute and return all Subdivision Documents within ten (10) business days of receipt from Monarch Development. The Parties recognize that time is of the essence in connection with completing the submissions and securing subdivision approval. At the discretion of Monarch Development, the Closing Date shall be extended one day for each day that Rocky Mountain Power fails to meet the deadline imposed in this subsection for delivering to Monarch Development any of the Subdivision Documents.

9. Title Insurance; Closing Costs. At closing: (a) Monarch Development shall pay for and deliver to Rocky Mountain Power a standard ALTA policy of title insurance on the Monarch Development Parcels in the amount of its fair market value subject only to the Permitted Exceptions, and (b) Rocky Mountain Power shall, at the sole cost and expense of Monarch Development, deliver to Monarch Development a standard ALTA policy of title insurance on the Rocky Mountain Power Parcel in the amount of its fair market value subject only to the Permitted Exceptions. Monarch Development shall pay the fee charged by the closing office and all closing costs and fees associated with this transaction. Each Party shall pay the full amount of all real estate taxes and assessments, if any, due on the Exchange Property to be conveyed by that Party. Real estate taxes and assessments for the current year shall be prorated to the Closing Date, and each Party shall pay its respective share for the Exchange Property it owned prior to the exchange. Each Party shall be responsible to pay for its own attorneys' fees incurred in connection with the execution and performance by such Party of this Agreement.

10. Summary of Contract Deadlines. Monarch Development and Rocky Mountain Power agree that the following deadlines shall apply to this Agreement:

(a) Commitments for title insurance under Paragraph 4. must be exchanged no later than ten (10) business days following the Effective Date

(b) Notice of termination based on the condition of property under Paragraph 5. must be given no later than thirty (30) days following the Effective Date.;

(c) Closing shall occur within one hundred eighty (180) days following the Effective Date.

11. Commissions. Each Party represents and warrants that it has not entered into any contracts with any broker or finder, nor has it obligated itself to pay any real estate commissions

or finder's fees on account of the execution of this Agreement or the close of the transaction contemplated hereby. Based on such representations and warranties, the Parties agree to pay any amounts owing by that Party which arise on account of any claim that real estate commissions or finder's fees are payable as a result of the actions of that Party, and to hold the other harmless therefrom.

12. Notices. Notices made or given by the Parties must be in writing and may be served personally or by depositing the same in the United States mail, postage pre-paid, or by another commercially recognized means of delivery, addressed as follows:

Rocky Mountain Power Rocky Mountain Power
1407 W. North Temple, Suite 110
Salt Lake City, Utah 84116
Attn: Mike Wolf

With a copy to: Rocky Mountain Power
1407 W. North Temple, Suite 320
Salt Lake City, Utah 84116
Attn: Daniel Solander

Monarch Development: Monarch Development of Salt Lake
6914 South 3000 East, Suite 101
Salt Lake City, UT 84121
Attn: Kevin Paxton
E-mail: kevin@stakercompany.com
Phone: (801) 942-7100

With a copy to: Monarch Development of Salt Lake
6914 South 3000 East, Suite 101
Salt Lake City, UT 84121
Attn: Marla Howard
E-mail: marla@stakercompany.com
Phone: (801) 942-7100

Notices shall be deemed effective upon the receipt thereof.

13. Survival. All covenants, representations and warranties contained in this Agreement shall survive any expiration or termination of this Agreement and shall not merge into any deed delivered and accepted upon the closing of the transaction herein contemplated.

14. Waiver of Jury Trial. 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 agreement. Each party further waives any right to consolidate 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.

15. Miscellaneous.

(a) The terms, covenants and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors, transferees and assigns of the Parties.

(b) No Party shall assign this Agreement or any rights hereunder to anyone except with the prior written consent of the other Party, which consent shall not be withheld as long as the proposed assignee agrees to observe all terms of this Agreement.

(c) Time is expressly made of the essence of each and every provision of this Agreement.

(d) This Agreement shall be interpreted and construed using only the contents hereof, and there shall be no presumption or standard of construction in favor of or against any Party.

(e) This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Utah.

(f) This Agreement contains the entire agreement among the Parties relating to the Rocky Mountain Power Parcel and the Monarch Development Parcels, and no Party shall be bound by any verbal statement or agreement made heretofore. Except as otherwise expressly set forth in this paragraph, this Agreement may only be amended, modified, or changed by a traditional written document properly executed by Rocky Mountain Power and by Monarch Development. Such amendment may be transmitted by e-mail, facsimile, or other method permitted by the provisions for giving notice in this Agreement. Except as otherwise expressly set forth in this Agreement, no Party agrees to and will not be bound by any electronic signature or other electronic record. Without limiting the foregoing, Monarch Development and Rocky Mountain Power agree that except as expressly set forth in this Agreement, the Electronic Signatures in Global and National Commerce Act, any version of the Uniform Electronic Transactions Act, or any other laws applicable to contracting electronically do not and shall not apply to this Agreement, any amendment hereto, or the Notice of Suitability. Monarch Development and Rocky Mountain Power acknowledge and agree that execution of the Notice of Suitability and the execution of this Agreement or any amendment to this Agreement may be accomplished by electronic signature utilizing DocuSign or any similar technology.

(g) In the event Rocky Mountain Power or Monarch Development breaches any of the terms, provisions, warranties, representations, covenants, or agreements contained in this Agreement and Rocky Mountain Power and Monarch Development become involved in a dispute with regard to breach hereof, the prevailing Party shall be entitled to be paid its reasonable attorneys' fees. This Section is intended to be expressly severable from the other provisions of this Agreement, is intended to survive any judgment and is not to be deemed merged into the judgment.

(h) Nothing contained herein is intended to create, nor shall it ever be construed to make, Rocky Mountain Power and Monarch Development partners or joint venturers.

(i) In no event shall any shareholder, officer, director, member, partner, affiliate, agent or employee of Rocky Mountain Power or Monarch Development, or any of Rocky Mountain Power's or Monarch Development's affiliates be held liable or responsible in any way for the obligations or liabilities of Rocky Mountain Power or Monarch Development, respectively, under this Agreement.

(j) Any consent, except consent which is expressly subject to sole and absolute discretion, requested or required by one Party under the terms of the Agreement shall not be unreasonably withheld, conditioned or delayed by the other Party hereto.

(k) The provisions of this Agreement are severable, and if any provision or part hereof or the application thereof to any person or circumstances shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason or shall be in conflict with any applicable federal, state or local laws, the remainder of this Agreement and the application of such provisions or part hereof to other persons or circumstances shall not be affected thereby and shall remain in full force and effect. Should the date for the giving of any notice, the performance of any act, or the beginning or end of any period provided for herein fall on a Saturday, Sunday or other legal holiday, such date shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

(l) This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully-executed counterparts; and (ii) a facsimile signature or an electronically scanned signature shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same agreement.

EXECUTED by the Parties hereto in multiple copies, each of which shall be deemed to be an original, on the dates set forth below.

ROCKY MOUNTAIN POWER: ROCKY MOUNTAIN POWER, AN
UNINCORPORATED DIVISION OF PACIFICORP

By: Cindy A Crane

Name: Cindy A Crane

Title: President & CEO

Date of Execution: 8/8, 2016

MONARCH:

MONARCH DEVELOPMENT OF SALT LAKE,
LLC, a limited liability company

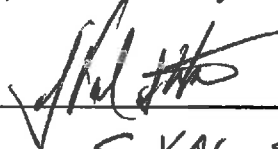
By: 
Name: S. VAL STAKER
Title: MANAGER
Date of Execution: 7-13, 2016

EXHIBIT A

(Legal Description Rocky Mountain Power Parcel)

Area A

Beginning at point being South 89°39'19" East 156.06 feet along the section line from the Center of Section 22, Township 4 South, Range 1 West, Salt Lake Base and Meridian (said Center of Section being North along the section line 2619.39 feet from the South Quarter Corner of said Section 22); and running thence thence South 89°39'19" East 241.84 feet; thence South 06°48'00" East 498.27 feet; thence North 31°35'54" West 572.11 feet to the point of beginning.

Contains 58,703 Square Feet or 1.348 Acres

Area B

Beginning at a point being South 659.84 feet along the section line and East 345.37 feet from the Center of Section 22, Township 4 South, Range 1 West, Salt Lake Base and Meridian (said Center of Section being North along the section line 2619.39 feet from the South Quarter Corner of said Section 22); and running thence thence South 31°35'54" East 309.94 feet; thence South 06°48'00" East 392.80 feet; thence North 89°34'05" West 131.04 feet; thence North 06°48'00" West 657.67 feet to the point of beginning.

Contains 68,280 Square Feet or 1.567 Acres

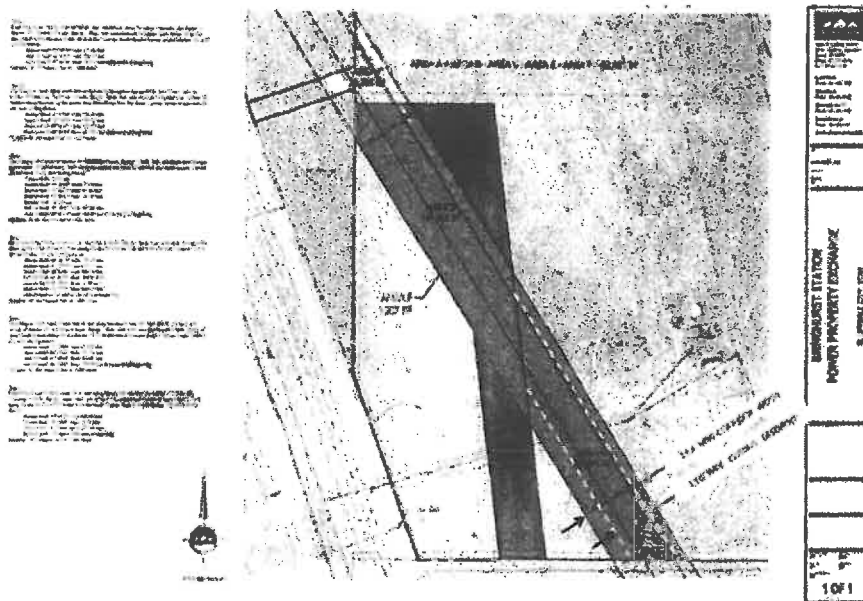


EXHIBIT B

(Legal Description of Monarch Development Parcels)

Area C

Beginning at the Center of Section 22, Township 4 South, Range 1 West, Salt Lake Base and Meridian (said Center of Section being North along the section line 2619.39 feet from the South Quarter Corner of said Section 22); and running thence thence North 45.00 feet; thence South 70°24'00" West 76.83 feet; thence North 31°35'54" West 61.34 feet; thence North 70°24'00" East 110.94 feet; thence North 144.06 feet; thence South 31 °35'54" East 297.85 feet; thence North 89°39'19" West 156.06 feet to the point of beginning.

Contains 25,355 Square Feet or 0.582 Acres

Area E

Beginning at a point being South 488.23 feet along the section line and East 455.82 feet from the Center of Section 22, Township 4 South, Range 1 West, Salt Lake Base and Meridian (said Center of Section being North along the section line 2619.39 feet from the South Quarter Corner of said Section 22); and running thence thence South 31 "35'54" East 973.00 feet; thence North 89"34'05" West 217.04 feet; thence North 31"35'54" West 459.65 feet; thence North 06°48'00" West 438.69 feet to the point of beginning.

Contains 131,804 Square Feet or 3.026 Acres

Area F

Beginning at a point being South 97.41 feet along the section line from the Center of Section 22, Township 4 South, Range 1 West, Salt Lake Base and Meridian (said Center of Section being North along the section line 2619.39 feet from the South Quarter Corner of said Section 22); and running thence thence South 32"01'00" East 648.63 feet; thence South 06°48'00" East 12.55 feet; thence North 31°35'54" West 659.15 feet; thence North 1.01 feet to the point of beginning.

Contains 1,907 Square Feet or 0.044 Acres

EXHIBIT C

**(Map Depicting the Approximate Locations of the
Private Roads**

ATTACHMENT D

Journal Entries

Transaction Analysis

- 1) PacifiCorp traded 2.92 acres of Parcel UTWN-0724 in exchange for 2) below.
- 2) PacifiCorp acquired 3.652 acres (added to UTWN-0724) in exchange for 1) above.

This was treated as an exchange of land - the only actual transaction recorded was to transfer the portion of the asset involved in the exchange into a sub-asset of the original (for clarity purposes only as this was considered to be the same internal land parcel by Land).

- 3) The existing easement from Monarch was given-up (sold) on the acquired land. The net boot of \$37,875.00 was treated as proceeds on this sold easement. As an easement is a depreciable asset in Transmission class, a retirement was made for the sold portion of easement and the proceeds were applied to the Reserve.

Net Cash Received by PacifiCorp

37,875.00

All 3 assets have been in Electric Plant in Service since inception

ASSET NO	G/L ACCT/CLASS	DEBIT	CREDIT	FERC ACCT	DESCRIPTION
301526-1	140100/35010	4,033.00		101	(1) Exchange of Land (parcel UTWN-0724(to Monarch (Net Book Value of sold land)
301526	140100/35010		4,033.00	101	(1) Exchange of Land (parcel UTWN-0724(to Monarch (Net Book Value of sold land)
	140109	37,875.00			Net Proceeds
	144142		37,875.00	108.2	Net Proceeds on easement sold to Transmission Reserve
350200067011-1964	140140		50.00	350.2	(3) Retirement of easement on aquired land (Handy-Whitman Index)
	140140	36.20		108	(3) Retirement of easement on aquired land (Handy-Whitman Index)
	145140	13.80		108	(3) Retirement of easement on aquired land (Handy-Whitman Index)
350200067011-1966	140140		9,987.45	350.2	(3) Retirement of easement on aquired land (Handy-Whitman Index)
	145140	6,996.35		108	(3) Retirement of easement on aquired land (Handy-Whitman Index)
	144141	2,991.10		108	(3) Retirement of easement on aquired land (Handy-Whitman Index)