

February 9, 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—Sale of Lincoln-Urban
Transmission Line to Portland General Electric**

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 executed an Asset Purchase Agreement (Agreement) with Portland General Electric Company (PGE) on April 1, 2016, pursuant to which PacifiCorp sold to PGE, effective as of December 14, 2016. The Public Utility Commission of Oregon (Commission) approved PGE's application for approval of the transaction under Docket No. UP 343 in Order No. 16-372, entered October 11, 2016.

In order to address continuing load growth in the South Waterfront and Marquam Hill Districts of Portland, PGE is constructing a new substation (Marquam) on the corner of Southwest Water and Sheridan streets. The new Marquam substation is located three spans away from PacifiCorp's existing Lincoln substation (Lincoln). When finalizing plans for the Marquam substation, PGE asked PacifiCorp if it could tap into PacifiCorp's existing transmission line and purchase the balance of the line that continues onto PGE's Urban Substation. Because PacifiCorp does not want to own a section of line between two of PGE's substations, PacifiCorp agreed to sell a portion of its transmission line to PGE. Accordingly, PGE and PacifiCorp negotiated the Agreement for the sale of a portion of the existing Lincoln-Urban 115kV line that runs between Marquam and Urban (Marquam-Urban span). PacifiCorp will retain ownership of the 115kV transmission line from the northwest property of Marquam to Lincoln.

Allowing PGE to purchase the Marquam-Urban span reduces congestion in the local area by eliminating the need for PGE to build a second line on the opposite side of the street to accommodate the Marquam substation. Additionally, the sale of the Marquam-Urban span will reduce PacifiCorp's maintenance costs and risks associated with owning a portion of transmission line that runs between two PGE substations. The Agreement contains standard terms and conditions that adequately protect PacifiCorp and its customer's interests. The sale of the Marquam-Urban span will not interfere with PacifiCorp's current or future use of the property and/or maintenance of its existing or future facilities. A copy of the Agreement is included with this Notice as Attachment A.

Public Utility Commission of Oregon

February 9, 2017

Page 2

As consideration under the Agreement, PGE paid PacifiCorp \$59,485.77 for the Marquam-Urban span. The purchase price was calculated by multiplying the net book value of the entire Lincoln-Urban 115kV line (\$77,670.37) by the percentage of the 115 kV line required to connect Urban to Marquam (77%).

PGE's use of the property it purchased 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 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,



R. Bryce Dalley
Vice President, Regulation

Enclosure

ATTACHMENT A
ASSET PURCHASE AGREEMENT

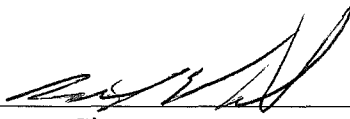
PacifiCorp Closing Certificate

The undersigned Officer of PacifiCorp, in connection with that certain Asset Purchase Agreement, dated April 1, 2016, by and between PacifiCorp (Seller) and Portland General Electric Company (Buyer), hereby certifies that:

1. PacifiCorp has satisfied the conditions to closing as set forth in the Asset Purchase Agreement.

VP, Transmission
Title

Rick Vail
Name


Signature

12/14/16
Date

ASSET PURCHASE AGREEMENT

by and between

PACIFICORP

“Seller”

And

PORTLAND GENERAL ELECTRIC COMPANY

“Buyer”

dated as of April , 2016

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "**Agreement**") made and entered into the 1 day of April, 2016 (the "Agreement Date"), is made and entered into by and between PacifiCorp, an Oregon corporation, ("**Seller**") and Portland General Electric Company, an Oregon corporation ("**Buyer**"). Seller and Buyer are sometimes referred to in this Agreement individually as a "**Party**" and, collectively, as the "**Parties**," in each case as the context may require.

RECITALS

WHEREAS, Seller owns certain 115kV conductor, structures and associated components located in or near Portland, Oregon, as specifically identified in **Exhibit A** to this Agreement (the "Facilities");

WHEREAS, Buyer has offered to purchase the Facilities from Seller, and Seller is willing to sell the Facilities to Buyer in accordance with and subject to all of the terms and conditions expressed herein; and

NOW, THEREFORE, for and in consideration of the mutual promises and covenants and conditions set forth in this Agreement, the sufficiency of which is hereby mutually acknowledged and accepted, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS AND INTERPRETATION

1.1 Definitions. Capitalized terms used herein or in any Seller Related Documents or Buyer Related Documents have the meanings set forth in this Agreement.

"**Affiliate**" means, with respect to a Person, each other Person that, directly or indirectly, controls, is controlled by or is under common control with, such designated Person; provided, however, that in the case of PacifiCorp, "Affiliate" means MidAmerican Energy Holdings Company and its direct and indirect subsidiaries. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean (a) the direct or indirect right to cast at least fifty percent (50%) of the votes exercisable at an annual general meeting (or its equivalent) of such Person or, if there are no such rights, ownership of at least fifty percent (50%) of the equity or other ownership interest in such Person, or (b) the right to direct the policies or operations of such Person.

"**Agreement**" means this Asset Purchase Agreement, as it may be amended from time to time in accordance with its terms.

"**Agreement Date**" means the date set forth in the first paragraph of this Agreement.

"**Assignment and Assumption Agreement**" is defined in Section 2.5(f) hereof.

“Bill of Sale” is defined in Section 2.5(e) hereof.

“Business Day” means any day other than Saturday, Sunday, and any day which is a state or federal legal holiday or a day on which banking institutions in New York, New York are authorized or obligated to close.

“Buyer” is defined in the first paragraph of this Agreement.

“Buyer’s Advisors” is defined in Section 5.5 hereof.

“Buyer Related Document” means any certificate, agreement or other document to be delivered by Buyer in connection with this Agreement.

“Buyer Required Consent” means the Required Consent identified in Schedule 5.1(a) required to be obtained by Buyer in connection with the execution and delivery of this Agreement and the consummation and performance of the terms and conditions of this Agreement.

“Claim” means any demand, claim, action, investigation, legal proceeding (whether at law or in equity) or arbitration.

“Closing” is defined in Section 2.4 hereof.

“Closing Date” the date on which the Closing occurs.

“Contract” means any agreement, contract, lease obligation, promise, or undertaking (whether written or oral and whether express or implied) that is legally binding.

“Damages” means the amount of, any loss, liability, claim, damage (including incidental and consequential damages), expense (including costs of investigation and defense and reasonable attorneys’ fees) or diminution of value, whether or not involving a Third Party Claim.

“Encumbrance” means any charge, Claim, community property interest, condition, equitable interest, lien, option, pledge, security interest, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

“Environmental Claim” means any Claim arising out of or related to any violation of Environmental Law, or in respect of any environmental conditions or Hazardous Materials.

“Environmental Law” means any Law relating to (i) land use and environmental matters, (ii) the control of any pollutant, or protection of the air, water, or land, (iii) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation, (iv) exposure to hazardous, toxic or other harmful substances, and (v) the protection and enhancement of the environment.

“Environmental Liabilities” mean all Liabilities with respect to the Purchased Assets, including settlements, judgments, costs and expenses, including reasonable attorneys’ fees, whether based on common law or Environmental Laws.

“Facilities” is defined in the second paragraph of this agreement.

“Good Operating Practices” means the practices, methods and acts generally engaged in or approved by a significant portion of the independent electric power industry in the Western Electricity Coordinating Council (“WECC”) for similarly situated facilities in the WECC during a particular time period, or any of such practices, methods, and acts, which, in the exercise of reasonable judgment in light of the facts known or that reasonably should be known at the time a decision is made, would be expected to accomplish the desired result in a manner consistent with applicable Law, reliability, safety, environmental protection, economy and expedition, and taking into consideration the requirements of this Agreement, the Transferred Contracts and the other Contracts affecting the operation of the Purchased Assets. Good Operating Practices are not intended to be limited to the optimum practices, methods or acts, to the exclusion of all others, but rather to include a spectrum of possible practices, methods or acts generally acceptable in the region during the relevant period in light of the circumstances.

“Governmental Authorization” means any approval, consent, license, permit, waiver, franchise, ruling, certification, exemption, filing, variance, order, judgment, decree or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Law.

“Governmental Authority” means any federal, provincial, state, county, municipal or local government and any political subdivision thereof, or any other governmental, quasi-governmental, executive, legislative, administrative, regulatory, judicial, public or statutory department, body, instrumentality, agency, ministry, court, commission, bureau, board, or other governmental authority.

“Hazardous Material” means any chemicals, materials, substances, or items in any form, whether solid, liquid, gaseous, semisolid, or any combination thereof, whether waste materials, raw materials, chemicals, finished products, by-products, or any other materials or articles, which are listed or regulated as hazardous, toxic or dangerous or as waste or a contaminant, or are otherwise listed or regulated, or for which liability or standards of care are imposed, under any Environmental Law, including petroleum products, asbestos, PCBs, coal combustion by-products, urea formaldehyde foam insulation, lead-containing paints or coatings, and any substances included in the definition of “hazardous debris,” “hazardous substances,” “hazardous materials,” “hazardous wastes,” “toxic substances,” “pollutants,” “contaminants” or words of similar import, under any Environmental Law.

“Indemnified Party” is defined in Section 10.3(a) hereof.

“Indemnifying Party” is defined in Section 10.3(a) hereof.

“Intellectual Property” means the following intellectual property rights, both statutory and common law rights, if applicable: (a) copyrights, and registrations and applications for registration thereof, (b) trademarks, trademark rights, service marks, service mark rights, trade

names, trade name rights, slogans, domain names, logos and trade dress, and registrations and applications for registrations thereof, (c) patents, as well as any reissued and reexamined patents and extensions corresponding to the patents, and any patent rights and patent applications, as well as any related continuation, continuation in part and divisional applications and patents issuing therefrom and (d) trade secrets and confidential information, including ideas, designs, concepts, inventions, compilations of information, methods, techniques, procedures, processes and other know-how, whether or not patentable.

“Interim Period” is defined in Section 5.1(a) hereof.

“Law” means any federal, state, local, municipal, foreign, international, multinational, or other administrative order, constitution, law, ordinance, principle of common law, regulation, statute, or treaty.

“Liability” means any debt, liability, obligation or commitment of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise.

“Lien” means any mortgage; deed of trust; pledge; security interest; adverse possessory right; mechanic’s, materialmen’s or other lien; covenant, condition or restriction; charge or assessment; lease; license; purchase option; right of first refusal; or any other matter affecting title of any nature whatsoever.

“Material Adverse Effect” means a material adverse effect upon the condition of the Purchased Assets.

“Order” means any award, decision, injunction, judgment, order, ruling, subpoena, or verdict entered, issued, made, or rendered by any court, administrative agency, or other Governmental Authority or by any arbitrator

“Organizational Documents” means (a) the articles or certificate of incorporation and the bylaws of a corporation; (b) the partnership agreement and any statement of partnership of a general partnership; (c) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (d) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a Person; and (e) any amendment to any of the foregoing.

“Party” and **“Parties”** are defined in the first paragraph of this Agreement.

“Permitted Encumbrances” means (i) any of the Encumbrances listed on Schedule 3.3 attached hereto; (ii) any Encumbrance pursuant to any lease, license, right of way or other real property interest agreement or document of any kind, copies of which Seller has provided to Buyer prior to Closing, or any applicable governmental regulations which relates to all or a portion of the real property on which the Facilities are located; (iii) statutory liens for current taxes or assessments not yet due or payable; (iv) mechanics’, carriers’, workers’, repairers’, landlords’, and other similar liens arising or incurred in the ordinary course of business relating to obligations as to which there is no default on the part of Seller, or pledges, or deposits, or

other liens securing the performance of statutory obligations; (v) any Encumbrances set forth in any state, local, or municipal franchise or governing ordinance under which any portion of the Facilities are owned or operated; or (vi) Encumbrances, including zoning, entitlement, restriction, and other land use regulations by Governmental Authorities, which, together with all other Encumbrances, do not materially detract from the value of or materially interfere with the use of the Facilities or the conduct of the business thereon, as determined by PGE in its sole discretion.

“**Person**” whether or not capitalized, means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, or other entity or Governmental Authority.

“**Proceeding**” means any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.

“**Purchase Price**” is defined as the price stated in Section 2.3.

“**Purchased Assets**” means all of the right, title and interest in and to the assets, tangible or intangible, including the following: (i) Facilities; (ii) all Warranty Rights; (iii) all Transferred Contracts; (iv) all Transferable Permits; (v) all Transferred Intellectual Property; (vi) all Related Inventories; (vii) all Related Equipment; (viii) all Records; and (ix) all Third Party Claims (as such term is defined below) associated with the Purchased Assets.

“**Records**” means all financial records and all records of repair work or work in progress, spare parts, materials and supplies in inventory records owned and held by Seller as of the Closing Date and principally relating to the Purchased Assets, whether or not identified on **Schedule 2.1** as “Records”.

“**Related Equipment**” means all fixtures, and equipment identified on **Schedule 2.1** that is owned, used or held for use primarily in connection with the Purchased Assets, including all handling equipment, machinery, tools, supplies, computer hardware, appliances, vehicles and rolling stock.

“**Related Inventories**” means all inventories of supplies, materials and spare parts identified on **Schedule 2.1** that is owned and held by Seller as of the Closing Date for use principally in connection with the Purchased Assets.

“**Release**” means any release, spill, emission, migration, leaking, pumping, injection, deposit, disposal or discharge of any Hazardous Materials into the environment, to the extent prohibited under applicable Environmental Laws.

“**Representative**” means with respect to a particular Person, any director, officer, employee, agent, consultant, advisor, accountant, financial advisor, legal counsel or other who is legally recognized to serve as a representative of that Person.

“**Required Consent**” means each approval, consent, ratification, waiver, or other authorization (including any Governmental Authorization) required to be obtained in order to consummate the transaction in accordance with this Agreement.

“**Required Notice**” means each notice required to be given (including to any Governmental Authority) in connection with the execution and delivery of this Agreement and the consummation and performance of the transaction in accordance with this Agreement.

“**Schedules**” means the disclosure schedules to be delivered by Seller to Buyer concurrently with the execution and delivery of this Agreement.

“**Seller Related Document**” means any certificate, agreement or other document delivered by Seller in connection with this Agreement, including, but not limited to, the Bill of Sale, and the Assignment and Assumption Agreement delivered by each of the Parties on the Closing in accordance with the terms of this Agreement.

“**Seller Required Consent**” means each Required Consent required to be obtained by Seller in connection with the execution and delivery of this Agreement and the consummation and performance of the terms and conditions of this Agreement.

“**Seller**” is defined in the first paragraph of this Agreement.

“**Tax Return**” means any return (including any information return), report, statement, schedule, notice, form, or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Authority in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of or compliance with any Law relating to any Tax.

“**Taxes**” means any and all taxes, fees, withholdings, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any government or taxing authority (foreign or domestic), including taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, GST, property, sales, use, capital stock, payroll, employment, social security, workers’ compensation, unemployment compensation, or net worth, taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value added or gains taxes, license, registration and documentation fees, and customs duties, tariffs and similar charges.

“**Third Party Claims**” means all rights, privileges, Claims, causes of action and options against any third parties (including indemnification, contribution and insurance claims) relating to any Purchased Assets, whether or not identified on **Schedule 2.1** as “Third Party Claims”.

“**Transferable Permits**” means the Governmental Authorizations, if any, listed on **Schedule 2.1**.

1.2 Interpretation. The following rules of interpretation apply throughout this Agreement and in any Seller Related Documents and Buyer Related Documents:

(a) The headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(b) Whenever used herein, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to both genders.

(c) Whenever Seller agrees to take or refrain from taking action, such provision shall be read to include the agreement of each Affiliate of Seller to take or refrain from taking such action.

(d) When calculating the period of time before which, within which or following which any act is to be done or step is to be taken under this Agreement, the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, the period in question shall end on the next succeeding Business Day.

(e) This Agreement is the result of negotiations between, and has been reviewed by, the Parties and their respective legal counsel. Accordingly, this Agreement shall be deemed to be the product of each Party, and there shall be no presumption that an ambiguity should be construed in favor of or against a Party solely as a result of such Party's actual or alleged role in the drafting of this Agreement and any Law, regulation, or rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be applied in the construction or interpretation of this Agreement.

ARTICLE II. PURCHASE AND SALE

2.1 Purchased Assets. On the terms and subject to the conditions set forth in this Agreement, at the Closing, Seller shall sell, assign, convey, transfer and deliver to Buyer, and Buyer shall purchase and acquire from Seller, free and clear of all encumbrances, all of Seller's right, title and interest in and to the property, tangible or intangible, constituting the Purchased Assets.

2.2 Liabilities Not Assumed. Buyer does not assume, and shall have no responsibility for, any Liability of Seller, including without limitation any Liability relating to the Facilities or Related Equipment, which have arisen, been accrued or incurred, or are otherwise based on events taking place, prior to and as of the Closing including Liability for Taxes arising as a result of the transaction. Seller shall remain fully responsible for all Liabilities.

2.3 Purchase Price and Payment. The Purchase Price for the Purchased Assets shall be \$ 59,485.77. Upon Closing, Buyer shall pay to Seller the Purchase Price, in cash by wire transfer to an account or accounts designated by Seller.

2.4 Closing. The closing (the "**Closing**") shall take place on a date mutually agreed on by the Parties but that is no more than ten (10) Business Days after satisfaction or waiver of the conditions specified in ARTICLE VII and ARTICLE VIII (other than conditions that by their terms are to be satisfied as of Closing).

2.5 Closing Deliveries by Seller. At Closing, Seller shall deliver to Buyer (in form and substance acceptable to Buyer) each of the following, duly executed:

(a) This Agreement duly executed by Seller and duly acknowledged or executed by any required third parties, where applicable.

(b) A certificate duly executed by an authorized officer of Seller, dated as of the Closing, stating that as of Closing each of the conditions set forth in ARTICLE VII, other than the condition set forth in Section 7.8, has been satisfied.

(c) Such other certificates, documents and instruments as Buyer reasonably requests for the purpose of (i) evidencing the accuracy of Seller's representations and warranties contained in this Agreement and any Seller Related Document, (ii) evidencing the performance and compliance by Seller with its covenants, obligations and agreements contained in this Agreement and any Seller Related Document, (iii) evidencing the satisfaction of any condition referred to in ARTICLE VII, or (iv) otherwise facilitating the consummation of the Agreement.

(d) the Bill of Sale in the form attached as Exhibit B, or otherwise in form and substance reasonably satisfactory to the Parties, duly executed by Seller;

(e) in the event that there are any Transferable Permits, an assignment and assumption agreement ("Assignment and Assumption Agreement") in the form attached hereto as Exhibit C, or otherwise in form and substance reasonably satisfactory to the Parties, duly executed by Seller;

(f) copies of all Governmental Authorizations and any other consents, waivers or approvals necessary to be obtained by Seller from third parties in connection with this Agreement; and

(h) all such other instruments of assignment or conveyance properly executed and acknowledged by Seller in customary form as are reasonably requested by Buyer in order to transfer to and vest in Buyer's ownership interest in all of Seller's right, title and interest in, to and under the Facilities and Transferable Permits (if any) in accordance with this Agreement;

2.6 Closing Deliveries by Buyer. At Closing, Buyer shall deliver to Seller (in form and substance acceptable to Seller) each of the following, duly executed:

(a) This Agreement;

(b) A certificate duly executed by an authorized officer of Buyer, dated as of the Closing, stating that the conditions set forth in ARTICLE VIII have been satisfied;

(c) copies of all Governmental Authorizations and any other consents, waivers or approvals necessary to be obtained by Buyer from third parties in connection with this Agreement; and

(d) in the event that there are any Transferable Permits, an assignment and assumption agreement ("Assignment and Assumption Agreement") in the form attached hereto

as Exhibit C, or otherwise in form and substance reasonably satisfactory to the Parties, duly executed by Buyer.

2.7 Closing Costs. The Parties shall each be responsible for payment of their respective costs and fees incurred in connection with activities required or related to completion of the Agreement.

2.8 Tax Matters. Notwithstanding any other provision of this Agreement, responsibility for payment of any and all Transfer Taxes incurred in connection with this Agreement and the transactions contemplated hereby shall be borne by Seller. Seller shall, at its own expense, file, to the extent required by Law, all necessary Tax Returns and other documentation with respect to all such Transfer Taxes, and Buyer will be entitled to review such return in advance and, if required by applicable Law, Buyer shall join in the execution of any such Tax Returns or other required documentation.

2.9 Prorations. Buyer and Seller agree that, except as otherwise set forth in this Agreement, all of the items normally prorated relating to the Purchased Assets, including any Taxes and other items payable by or to Seller under any of the Transferred Contracts to be assigned to and assumed by Buyer hereunder, shall be prorated as of the effective time of the Closing on the Closing Date, with Seller liable to the extent such items relate to any time period through the effective time of the Closing on the Closing Date, and Buyer liable to the extent such items relate to any time period subsequent to the effective time of the Closing on the Closing Date.

2.10 Further Assurances. From time to time, whether before, at or after Closing, Buyer and Seller will execute and deliver such further instruments, in form and substance reasonably satisfactory to the other, and take such other action as may be reasonably necessary to carry out the purposes and intent of this Agreement, including to assure that Buyer has acquired the Purchased Assets free and clear of Encumbrances.

ARTICLE III. REPRESENTATIONS AND WARRANTIES OF SELLER

The Seller represents and warranties to Buyer that the statements contained in this ARTICLE III are true and correct as of the date hereof and will be true and correct as of Closing.

3.1 Organization and Good Standing; Authority. Seller is duly organized, validly existing, and in good standing under the Laws of its jurisdiction of formation. Seller has all requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly and validly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its respective terms.

3.2 No Conflict.

(a) Neither the execution and delivery of this Agreement nor the consummation or performance of the transaction will, directly or indirectly (with or without notice or lapse of time): (i) contravene, conflict with, or result in a violation of (A) any provision of the

Organizational Documents of Seller, or (B) any resolution adopted by the governing body of Seller; (ii) contravene, conflict with, or result in a violation of, or give any Governmental Authority or other Person the right to challenge the transaction or to exercise any remedy or obtain any relief under, any Law or any Order to which Seller, or any of the Purchased Assets, may be subject; (iii) contravene, conflict with, or result in a violation of any of the terms or requirements of, or give any Governmental Authority the right to revoke, withdraw, suspend, cancel, terminate, or modify, any Governmental Authorization included in the Purchased Assets; (iv) contravene, conflict with, or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or result in the importing, acceleration or increase of any payments or amounts due under, or to cancel, terminate, or modify, any Transferred Contract; or (v) result in the imposition or creation of any Encumbrance upon or with respect to any of the Purchased Assets.

(b) **Schedule 5.1(a)** contains a complete and accurate list of all Required Notices and Seller Required Consents. Seller has given all Required Notices and obtained all Seller Required Consents.

3.3 Title. Subject to the Permitted Encumbrance specified in **Schedule 3.3**, Seller has good, valid and marketable title to all of the Purchased Assets, free and clear of all Encumbrances, and will effectively convey to Buyer at Closing, good and marketable title to all of the Purchased Assets, free and clear of all Encumbrances (whether or not disclosed to Buyer).

3.4 Condition of Purchased Assets. **Schedule 2.1** contains a complete and accurate list of all Purchased Assets and (i) all Purchased Assets are in good condition (ordinary wear and tear excepted), no Purchased Asset is in need of any repair or maintenance (other than normal and routine repair and maintenance), and (ii) there are no facts or conditions affecting the Purchased Assets which could interfere in any material respect with the use or operation thereof or their adequacy for such use.

3.5 Sufficiency of Assets. The Purchased Assets comprise all the properties and assets necessary or desirable to use and operate the Facilities after Closing in substantially the same manner as conducted prior to Closing or, if the Facilities were not in use or being operated prior to the Closing, in the manner in which Facilities are customarily used and operated.

3.6 No Material Adverse Effect. There has not been a Material Adverse Effect, and no event has occurred or circumstance exists that may result in a Material Adverse Effect.

3.7 Compliance with Laws; Governmental Authorizations. (i) Seller is, and has at all times been, in full compliance with each Law that is or was applicable to the Purchased Assets; (ii) no event has occurred or circumstance exists that (with or without notice or lapse of time) (A) may constitute or result in a violation or failure to comply with, any Law affecting the Purchased Assets, or (B) may require undertaking or bearing any cost of remedial action of any nature in connection with the Purchased Assets; and (iii) in connection with the Purchased Assets, Seller has not received at any time any notice or other communication (whether oral or written) from any Governmental Authority or any other Person regarding (A) any actual, alleged, possible, or potential violation of, or failure to comply with, any Law, or (B) any actual, alleged,

possible, or potential obligation to undertake, or bear any cost of, any remedial action of any nature.

3.8 Legal Proceedings; Orders.

(a) There is no pending Proceeding (i) that has been commenced by or against Seller or that otherwise relates to or may affect the Purchased Assets; or (ii) that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, the transaction. To Seller's knowledge, (1) no such Proceeding has been threatened and (2) no event has occurred or circumstance exists that may give rise to or serve as a basis for the commencement of any such Proceeding.

(b) (i) There is no Order to which any of the Purchased Assets is subject; and (ii) Seller is not subject to any Order that relates to the Purchased Assets.

3.9 Insurance. Seller maintains and has at all times during which it has owned the Purchased Assets maintained without any gaps in coverage, (a) insurance on all of the Purchased Assets covering property damage and by fire or other casualty and (b) adequate insurance protection against all Liabilities, Claims and risks relating to the Purchased Assets which it is customary and appropriate to insure, including general liability, professional liability, fire, theft, casualty, workmen's compensation, employee fidelity and other casualty and liability insurance.

3.10 Tax Matters. All Tax Returns that are required to be filed on or before the Closing Date by, on behalf of or relating to Seller or its financial results have been or will be duly and timely filed or are the subject of a timely filed and valid extension. All Taxes that are shown to be due on such Tax Returns with respect to the Purchased Assets have been or will be timely paid in full. Seller does not have in force any waiver of any statute of limitations in respect of Taxes or any extension of time with respect to a Tax assessment or deficiency. There are no pending or active audits or, to Seller's knowledge, threatened audits or proposed deficiencies or other claims for unpaid Taxes of Seller.

3.12 Solvency. Seller is not now insolvent, and Seller will not be rendered insolvent by the Transaction. As used in this Section, "**insolvent**" means that the sum such Seller's debts and other probable Liabilities exceeds the present fair saleable value of such Seller's assets.

3.13 Full Disclosure.

(a) No representation or warranty of Seller in this Agreement and no statement in the Schedules omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances in which they were made, not misleading.

(b) No notice given pursuant to Section 5.6 will contain any untrue statement or omit to state a material fact necessary to make the statements therein or in this Agreement, in light of the circumstances in which they were made, not misleading.

3.14 Environmental Matters.

(a) Seller has made available to Buyer, true and complete copies of all environmental site assessment reports, studies and related documents in the possession of, or available to, Seller or its Affiliates and that relate to environmental matters in connection with the location and operation of the Purchased Assets.

(b) Except as set forth on **Schedule 3.14(b)**:

(i) Seller has not been served with notice of any Environmental Claims and, to Seller's knowledge, no Environmental Claims are threatened against Seller by any Governmental Authority or other Person (including any private citizen's group) under any Environmental Laws;

(ii) there has been no event or occurrence related to the location of the Purchased Assets or the Purchased Assets themselves that has caused or reasonably would be expected to cause Seller to fail to comply with any applicable Environmental Laws in any material respect;

(iii) there has been no Release of any Hazardous Material at the location of or from the Purchased Assets that could reasonably be expected to result in an Environmental Claim;

(iv) there are not outstanding, nor have there been issued, any judgments, decrees or judicial orders relating to the Purchased Assets regarding (A) compliance with any Environmental Law or (B) the investigation or cleanup of Hazardous Materials under any Environmental Law;

(v) Seller is, and at all times has been, in compliance with, in all material respects, and has not been and is not in violation of or liable in any material respect under, any Environmental Law in connection with the Purchased Assets; and

(vi) To Seller's knowledge, there are no Environmental Liabilities associated with the Purchased Assets that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

**ARTICLE IV.
REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller that the statements contained in this ARTICLE IV are true and correct as of the date hereof and will be true and correct as of the Closing Date.

4.1 Organization and Good Standing; Authority. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Oregon. Buyer has all corporate power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transaction contemplated hereby. This Agreement has been

duly and validly executed and delivered by Buyer and constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its respective terms.

4.2 No Conflict. Neither the execution and delivery of this Agreement by Buyer nor the consummation or performance of the transaction by Buyer will give any Person the right to prevent, delay, or otherwise interfere with the transaction pursuant to (i) any provision of Buyer's Organizational Documents; (ii) any resolution adopted by the governing body or shareholders of Buyer, if applicable; (iii) any Law or Order to which Buyer may be subject; or (iv) any Contract to which Buyer is a party or by which Buyer may be bound.

4.3 Certain Proceedings. There is no pending Proceeding that has been commenced against Buyer and that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with, the transaction. To Buyer's knowledge, no such Proceeding has been threatened.

ARTICLE V. COVENANTS

5.1 Regulatory Approvals.

(a) From the date of this Agreement until the earlier of the Closing or termination of this Agreement in accordance with its terms (the "**Interim Period**"), Seller will, in order to consummate the transaction (including the transfer of the Transferred Contracts to Buyer), take such reasonable steps as are necessary or desirable, and proceed diligently and in good faith and use all reasonable efforts to expedite and obtain the Required Consents, and to make all filings with, and to give all notices to, Governmental Authorities, and provide such other information and communications to such Governmental Authorities or other Persons, as such Governmental Authorities or other Persons may reasonably request in connection therewith. Buyer covenants that, during the Interim Period, Buyer will, in order to consummate the transaction (including the transfer of the Transferred Contracts to Buyer), take such reasonable steps as are necessary or desirable, and proceed diligently and in good faith and use all reasonable efforts to expedite and obtain the Required Consents, and to make all filings with, and to give all notices to, Governmental Authorities, and provide such other information and communications to such Governmental Authorities or other Persons, as such Governmental Authorities or other Persons may reasonably request in connection therewith. **Schedule 5.1(a)** contains a complete and accurate list of each Required Consent to be obtained in connection with consummation of the transaction. Nothing in this Section 5.1(a) shall be construed to require Buyer to take any action with respect to filings with or notices to Governmental Authorities that in Buyer's discretion could materially adversely affect any other Proceeding with such Governmental Authority. Each Party will cooperate fully in good faith with the other Party with respect to all filings that are required by Law or that such other Party elects to make in connection with the transaction. Each Party will also cooperate fully in good faith with the other in obtaining all material consents and approvals required under this Agreement.

(b) Each Party will provide the other Party with a reasonable opportunity to review and provide prior comment upon any notices, filings or other submissions that the Party plans to deliver or submit to any Governmental Authority, and will promptly provide to such other Party

a copy of any such notices or filings. Each Party will provide prompt notification to the other Party when any approval referred to in Section 5.1(a) is obtained, taken, made or given, as applicable, and will advise the other Party of any material communications with any Governmental Authority from which such approval is required regarding any pending application or request for approval by such Governmental Authority of any of the transactions contemplated by this Agreement.

(c) To the extent that any Transferred Contract is not assignable without the consent of another party, then this Agreement shall not constitute an assignment or attempted assignment thereof if such assignment or attempted transfer thereof would constitute a breach thereof or a default thereunder. Without limiting the provisions of Section 5.1(a), if any such consent shall not be obtained, or if any attempted assignment of a Transferred Contract would be ineffective or would impair Buyer's rights and obligations such that Buyer would not in effect acquire the benefit of substantially all of such rights and obligations, Seller shall cooperate with Buyer in any reasonable arrangement, to the extent legally permissible, designed to provide for Buyer the benefits intended to be assigned to Buyer under the Transferred Contract, including enforcement for the account of Buyer of any and all rights of Seller against the other party thereto arising out of the breach or cancellation thereof by such party or otherwise. If and to the extent that such arrangement is not made in a manner reasonably satisfactory to Buyer, Buyer shall have no obligation with respect to such Transferred Contract. The provisions of this Section 5.1(c) shall not affect the right of Buyer not to consummate the transaction if the conditions to Buyer's obligations set forth in ARTICLE VII have not been fulfilled.

5.2 Additional Affirmative Covenants of Seller. During the Interim Period, Seller shall:

- (a) Use its best efforts to preserve intact the Purchased Assets;
- (b) Operate and maintain the Purchased Assets in the usual and ordinary course consistent with Good Operating Practices;
- (c) Maintain or cause to be maintained all insurance policies (or reasonably equivalent renewals or replacements thereof) covering the Purchased Assets until the Closing;
- (d) Take any and all commercially reasonable actions necessary or appropriate to ensure that Seller Required Notices are given and that all Required Consents and Seller Required Consents are obtained on or before the Closing. Seller shall otherwise cooperate with Buyer and use its best efforts to make all registrations, filings, and applications and to cause the other conditions to Buyer's obligation to close to be satisfied;
- (e) Take all actions that are reasonably necessary or appropriate to ensure that the representations and warranties in ARTICLE III remain true and correct in all respects at the Closing;
- (f) Bring about, as soon as practical after the date hereof, the satisfaction of all the conditions set forth in ARTICLE VII; and

(g) Confer with Buyer concerning matters of a material nature affecting the Purchased Assets; and otherwise report periodically to Buyer concerning the status of the Purchased Assets.

5.3 Negative Covenants. During the Interim Period, Seller will not, without the prior consent of Buyer:

(a) Permit, allow, or suffer to exist any Encumbrance against any of the Purchased Assets;

(b) Sell, lease (as lessor), transfer, convey or otherwise dispose of any Purchased Assets (including by way of merger, liquidation or dissolution);

(c) Make any material change in the operations of the Purchased Assets;

(d) Prohibit payment of or delay payment of or prohibit or delay discharge of any assumed Liability;

(e) Grant any waiver of any material term under, or give any material consent with respect to, any Transferred Contract;

(f) Take or omit to take any action which, individually or in the aggregate, has or could be reasonably anticipated to have a Material Adverse Effect on the rights of Buyer under this Agreement;

(g) Take or omit to take any action that would require notification under Section 5.6 if each representation and warranty herein were remade as of the time of such action or omission; or

(h) Agree or commit to do any of the foregoing.

Notwithstanding the foregoing, Seller may take commercially reasonable actions with respect to emergency situations affecting the Purchased Assets so long as Seller shall, upon receipt of notice of any such actions, promptly inform Buyer of any such emergency actions taken outside the ordinary course of business.

5.4 No Duty to Accept Changes. Notwithstanding anything to the contrary contained in this Agreement (including obligations to act commercially reasonably), Buyer shall not be required to accept or honor (nor shall Seller be permitted to accept or honor except with Buyer's prior written consent) any conditions, changes, modifications or additions to, or in connection with, any Transferred Contracts or the Purchased Assets (or any portion thereof), other than modifications of a ministerial nature.

5.5 Access and Investigation. During the Interim Period, Seller and its Representatives will (a) afford Buyer and its Representatives (collectively, "**Buyer's Advisors**") full and free access to the Purchased Assets and all of Seller's contracts, books and records, and documents and data related to the Purchased Assets, (b) furnish to Buyer and Buyer's Advisors

copies of all such contracts, books and records, and other existing documents and data related to the Purchased Assets as Buyer may reasonably request, and (c) furnish to Buyer and Buyer's Advisors such additional financial, operating, and other data and information related to the Purchased Assets as Buyer may reasonably request.

5.6 Notification. During the Interim Period, Seller will promptly notify Buyer in writing if Seller becomes aware of any fact or condition that causes or constitutes a breach of any of Seller's representations and warranties as of the Agreement Date, or if Seller becomes aware of the occurrence after the Agreement Date of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute a breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. During the Interim Period, Seller will promptly notify Buyer of the occurrence of any breach of any covenant of the Seller in this Agreement or of the occurrence of any event that may make satisfaction of the conditions in ARTICLE VII and ARTICLE VIII of this Agreement impossible or unlikely. Notwithstanding anything to the contrary, no such notice or disclosure shall be deemed to amend or supplement the Schedules or to prevent or cure any misrepresentation or breach.

5.7 Best Efforts. During the Interim Period, Seller shall use its best efforts to cause the conditions in ARTICLE VII and ARTICLE VIII to be satisfied.

ARTICLE VI. ADDITIONAL AGREEMENTS

6.1 Expenses. Each Party shall pay its own, fees, costs and expenses (including fees and expenses of legal counsel, investment bankers, brokers or other representatives and consultants and appraisal fees and expenses) incurred in connection with or related to the sales process, the negotiation of this Agreement, the performance of its obligations hereunder, and the consummation of the transaction.

6.2 Risk of Loss. During the Interim Period, all risk of loss or damage to the property included in the Purchased Assets shall be borne by Seller.

ARTICLE VII. CONDITIONS TO OBLIGATIONS OF BUYER

Buyer's obligation to purchase the Purchased Assets and to take the other actions required to be taken by Buyer at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived in writing only by Buyer, in whole or in part):

7.1 Accuracy of Representations. All of Seller's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties (considered individually), shall be true and correct as of the Agreement Date, and shall be true and correct as of the Closing Date as if made on the Closing Date.

7.2 Seller's Performance. All of the covenants and obligations that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered

collectively), and each of the covenants and obligations (considered individually), shall have been duly performed and complied with in all material respects.

7.3 Deliveries. Each document required to be delivered pursuant to Section 2.5 shall have been delivered.

7.4 Consents and Approvals. Each of the Required Consents shall have been obtained and be in full force and effect and such actions as Buyer's counsel may reasonably require will have been taken in connection therewith.

7.5 Approvals of Governmental Authorities. All Required Consents of Governmental Authorities shall have been obtained with such terms and conditions as shall have been imposed by the Governmental Authority issuing such Required Consents, and such terms or conditions in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

7.6 No Prohibition. Neither the consummation nor the performance of the transaction will, directly or indirectly (with or without notice or lapse of time), materially contravene, or conflict with, or result in a material violation of, or cause Buyer or any Person affiliated with Buyer to suffer any material adverse consequence under, (a) any applicable Law or Order, or (b) any Law or Order that has been published, introduced, or otherwise proposed by or before any Governmental Authority.

7.7 No Proceedings. Buyer will have received evidence reasonably acceptable to it that no Litigation is pending or threatened (i) involving any challenge to, or seeking damages or other relief in connection with the Purchased Assets or the transaction, (ii) that may have the effect of preventing, delaying, making illegal, or otherwise interfering with the transaction, (iii) seeking to prohibit direct or indirect ownership or operation by Buyer of the Purchased Assets, or to compel Buyer or any of its Affiliates to dispose of, or to hold separately, or to make any change in any portion of the business or assets of Buyer or its Affiliates as a result of the transaction, (iv) seeking to require direct or indirect transfer or sale by Buyer of, or to impose material limitations on the ability of Buyer to exercise full rights of ownership of, any of the Purchased Assets or (v) imposing or seeking to impose material Damages or sanctions directly arising out of the transaction on Buyer or Seller or any of their respective officers or directors.

7.8 No Material Adverse Effect. There shall have been no change in or event relating to Seller that has had or that Buyer expects to have a Material Adverse Effect or a material adverse effect on the transaction.

ARTICLE VIII. CONDITIONS TO OBLIGATIONS OF SELLER

Seller's obligation to sell the Purchased Assets and to take the other actions required to be taken by Seller at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived in writing only by Seller, in whole or in part):

8.1 Accuracy of Representations. All of Buyer's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties

(considered individually), shall be true and correct as of the date of this Agreement, and shall be true and correct as of the Closing Date as if made on the Closing Date.

8.2 Buyer's Performance.

(a) All of the covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been duly performed and complied with in all material respects.

(b) Each document required to be delivered pursuant to Section 2.6 shall have been delivered.

8.3 No Injunction. There shall not be in effect any Law or any injunction or other Order that (a) prohibits the sale of the Purchased Assets by Seller to Buyer and (b) has been adopted or issued, or has otherwise become effective, since the date of this Agreement.

**ARTICLE IX.
TERMINATION**

9.1 Termination. This Agreement may be terminated by written notice at any time prior to the Closing Date only in one of the following ways:

(a) By the mutual written consent of Buyer and Seller.

(b) By Buyer if a material breach of any provision of this Agreement has been committed by Seller or (ii) by Seller if a material breach of any provision of this Agreement has been committed by Buyer.

(c) By Buyer if any of the conditions in ARTICLE VII has not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through Buyer's breach of this Agreement) or (ii) by Seller if any of the conditions in ARTICLE VIII has not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through Seller's breach of this Agreement).

(d) By Buyer or Seller if Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before December 31, 2016, or such later date as the Parties may agree in writing.

9.2 Effect of Termination. If this Agreement is terminated pursuant to Section 9.1, neither Party shall have any continuing obligation hereunder, except that (a) Sections 6.1 (Expenses), ARTICLE XII (General Provisions), and this Section will survive any termination hereof and (b) if this Agreement is terminated due to a breach of a Party, then the other Party shall retain full rights to pursue all legal remedies notwithstanding termination.

**ARTICLE X.
SURVIVAL AND INDEMNIFICATION**

10.1 Survival. All representations, warranties, covenants, and obligations in this Agreement, the Schedules, the certificates delivered pursuant to Sections 2.5 and 2.6, and any other certificate or document delivered pursuant to this Agreement will survive the Closing. The right to indemnification, payment of Damages or other remedy based on such representations, warranties, covenants, and obligations will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment of Damages, or other remedy based on such representations, warranties, covenants, and obligations.

10.2 Indemnification.

(a) From and after the Closing, Seller hereby agrees to indemnify, defend and hold harmless Buyer and its Representatives and Affiliates from and against any and all Damages, whether or not involving a third-party Claim, resulting from or arising out of or in connection with:

i. any breach of a representation or warranty made by Seller in this Agreement or any Seller Related Document;

ii. the breach by Seller of, or default in the performance by Seller of, any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement or in any Seller Related Document;

iii. any Environmental Liabilities that accrue, arise or occur prior to the Closing; and

iv. Liabilities which arise out of or are related to Seller's ownership of the Purchased Assets prior to Closing;

(b) From and after the Closing, Buyer hereby agrees to indemnify, defend and hold harmless Seller and its Representatives and Affiliates from and against any and all Damages, whether or not involving a third-party Claim, resulting from or arising out of or in connection with:

i. any breach of a representation or warranty made by Buyer in this Agreement or any Buyer Related Document; and

ii. the breach by Buyer of, or default in the performance by Buyer of, any covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement or in any Buyer Related Document.

10.3 Procedure for Indemnification – Third Party Claims.

(a) If either Party shall claim indemnification hereunder arising from any Claim of a third party, the Party seeking indemnification (the “**Indemnified Party**”) shall notify in writing the Party from which indemnification is sought (the “**Indemnifying Party**”) of the basis for such Claim, setting forth the nature of the Claim in reasonable detail. The failure of the Indemnified Party to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any indemnification obligation hereunder except to the extent that the defense of such Claim is materially prejudiced by the failure to give such notice.

(b) If any Proceeding is brought by a third party against an Indemnified Party and the Indemnified Party gives notice to the Indemnifying Party pursuant to Section 10.3(a), the Indemnifying Party shall be entitled to participate in such Proceeding and, to the extent that it wishes, to assume the defense of such Proceeding, if (i) the Indemnifying Party provides written notice to the Indemnified Party that the Indemnifying Party intends to undertake such defense, (ii) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently with counsel reasonably satisfactory to the Indemnified Party and (iii) the Indemnifying Party is a party to the Proceeding, the Indemnifying Party has determined in good faith that joint representation would not be inappropriate because of a conflict in interest. The Indemnified Party shall, in its sole discretion, have the right to employ separate counsel (who may be selected by the Indemnified Party in its sole discretion) in any such action and to participate in the defense thereof, and the fees and expenses of such counsel shall be paid by such Indemnified Party. The Indemnified Party shall fully cooperate with the Indemnifying Party and its counsel in the defense or compromise of such Claim. If the Indemnifying Party assumes the defense of a Proceeding, no compromise or settlement of such Claims may be effected by the Indemnifying Party without the Indemnified Party’s consent unless (A) there is no finding or admission of any violation of Law or any violation of the rights of any Person and no effect on any other Claims that may be made against the Indemnified Party and (B) the sole relief provided is monetary Damages that are paid in full by the Indemnifying Party.

(c) If (i) the Indemnified Party gives notice to the Indemnifying Party of the commencement of any third-party legal Proceeding and the Indemnifying Party does not, within ten (10) days after the Indemnified Party’s notice is given, give notice to the Indemnified Party of the Indemnifying Party’s election to assume the defense of such legal Proceeding, (ii) any of the conditions set forth in clauses (i) through (iii) of Section 10.3(b) above become unsatisfied or (iii) an Indemnified Party determines in good faith that there is a reasonable probability that a legal Proceeding may adversely affect it other than as a result of monetary Damages for which it would be entitled to indemnification from the Indemnifying Party under this Agreement, the Indemnified Party shall (upon notice to the Indemnifying Party) have the right to undertake the defense, compromise or settlement of such Claim; provided that the Indemnifying Party shall reimburse the Indemnified Party for the Indemnified Party’s costs of defending against the Third Party Claim (including reasonable attorneys’ fees and expenses) and the Indemnifying Party shall remain responsible for any indemnifiable amounts arising from or related to such Third Party Claim to the fullest extent provided in this ARTICLE X. The Indemnifying Party may elect to participate in such legal Proceedings, negotiations or defense at any time at its own expense.

**ARTICLE XI.
DISPUTE RESOLUTION**

Except as may be expressly provided elsewhere in this Agreement to the contrary, any dispute arising out of or in connection with this Agreement or its performance, including but not limited to its validity, construction, or enforcement shall, to the extent possible, be resolved amicably by negotiation between the Parties represented by the signatories to this Agreement or their assigned agent or successor, prior to either party initiating legal action. Both Buyer and Seller agree to make good faith efforts to resolve any dispute under this Agreement as provided in this Article XI. If a Party believes a dispute exists that is subject to this Article XI, the Party shall provide the other Party with notice of such dispute. If the Parties have failed to resolve a dispute under this Article XI within thirty (30) days of such notice of dispute, either Party may seek any remedy that it may have in law or equity. Negotiations and meetings conducted pursuant to this Article XI shall be confidential and shall be treated as compromise and settlement discussions not admissible in any legal Proceeding involving this Agreement, in accordance with state and federal Rules of Evidence. 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, 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.

**ARTICLE XII.
GENERAL PROVISIONS**

12.1 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by commercial messenger or courier service, or mailed by registered or certified mail (return receipt requested) or sent via facsimile (with acknowledgment of complete transmission) to the Parties at the following addresses; provided, however, that notices sent by mail will not be deemed given until received:

If to Seller, to:

PacifiCorp
825 NE Multnomah Street, Suite 1600
Portland, Oregon 97232
Attention: Director Transmission Services
Telephone No.: 503-813-7237
Email: Brian.Fritz@PacifiCorp.com

If to Buyer, to:

Portland General Electric

121 SW Salmon, 3WTC0409
Portland, OR 97204
Attn: Director of Transmission & Reliability Services
Telephone No.: 503-464-7155
Email: TransmissionProvider@pgn.com

Disclosure Schedules. Information set forth in the Schedules to this Agreement specifically refers to the section of this Agreement to which such information is responsive and such information shall not be deemed to have been disclosed with respect to any other article or section of this Agreement or for any other purpose, unless specifically cross-referenced to another schedule. The Schedules shall not vary, change or alter the language of the representations and warranties contained in this Agreement and, to the extent the language in the Schedules does not conform in every respect to the language of such representations and warranties, such language shall be disregarded and be of no force or effect. The right to indemnification or other remedy based on any representation, warranty, covenant or obligation herein or in any document delivered hereunder will not be affected by any investigation conducted with respect to or any knowledge acquired (or capable of being acquired) at any time, whether before, at or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with any such representation, warranty, covenant or obligation.

12.2 Entire Agreement; No Third Party Beneficiaries. This Agreement, the Exhibits, Schedules, and other documents among the Parties referenced herein (a) constitute the entire agreement by and among the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings both written and oral, among the Parties with respect to the subject matter hereof, and (b) shall be binding upon and inure solely to the benefit of each Party, and nothing in herein or therein, express or implied, is intended to or shall confer upon any other person any other right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. The Exhibits and Schedules attached to this Agreement are hereby incorporated into and form a part of this Agreement. If any term or condition, express or implied, of any Exhibit or Schedule conflicts or is at variance with any term or condition in the body of this Agreement, the term or condition in the body of this Agreement shall control and prevail.

12.3 Amendment. No amendment or variation of the provisions of this Agreement shall be binding upon the Parties unless evidenced in writing which indicates that such writing is intended to amend the terms of this Agreement and is signed by duly authorized officers of each Party. The Parties agree that this Agreement shall not be amended in any manner by any course of dealing among the Parties.

12.4 Assignment. Buyer may, without consent, assign any or all of its rights under this Agreement to any Affiliate or successor of Buyer and may designate any such Affiliate or successor to acquire any of the Purchased Assets. Seller may assign its rights and obligations under this agreement without limitation to an Affiliate. An Affiliate includes entities in which Berkshire Hathaway Inc. owns more than a 5% interest; over which Berkshire Hathaway Energy exercises management control; or which is listed in an exhibit to the contract.

12.5 Severability. In the event that any provision of this Agreement or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the Parties. The Parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

12.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof. Each Party irrevocably consents to the exclusive jurisdiction and venue of any court within the State of Oregon, in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein.

12.7 Conditions. To the extent that this Agreement provides that the rights of a Party are conditioned upon satisfaction of conditions, such conditions will be deemed satisfied if the Party responsible therefore has taken the steps necessary to act and is prepared to perform and to tender documents required to be performed or tendered by such Party, it being understood that actual performance or tendering of documents shall not be required if the other Party has not satisfied its obligations and is not willing or able to perform or other conditions have not been met.

12.8 Remedies. The Parties recognize that, in the event that a Party should refuse to perform any provisions of this Agreement, monetary Damages alone will not be adequate. The non-defaulting Party shall therefore be entitled, in addition to any other remedies which may be available, including money Damages, to obtain specific performance of the terms of this Agreement. In the event of any action to enforce this Agreement specifically, the defaulting Party hereby waives the defense that there is an adequate remedy at law. No remedy conferred by any specific provision of this Agreement (including termination under Section 9.1) is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at Law or in equity or by statute or otherwise. The election of any one or more remedies by a Party shall not constitute a waiver of the right to pursue other available remedies at any time.

12.9 No Waiver. No delay or forbearance by a Party in exercising any right or remedy accruing to such Party upon the occurrence of any breach or default by the other Party under this Agreement shall impair any such right or remedy of such Party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver on the part of either Party of any provision or condition of this Agreement must be in writing signed by the Party to be bound by such waiver and shall be effective only to the extent specifically set forth in such writing and shall not limit or affect any rights with respect to any other or future circumstance.

12.10 Counterparts; Facsimiles. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall constitute one agreement. Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, shall be the same as delivery of an original. At the request of either Party, the Parties will confirm facsimile transmitted signatures by signing an original document.

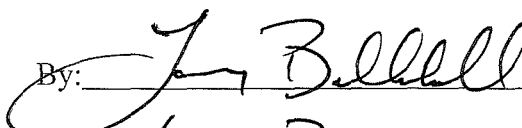
* * *

[Signature lines are on the next page.]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the Agreement Date.

BUYER:

PORTLAND GENERAL ELECTRIC COMPANY

By:  *elc*
Name: LARRY BECKSTEADT
Title: VP TRANSMISSION & DISTRIBUTION

ATTEST: _____

SELLER:

PACIFICORP

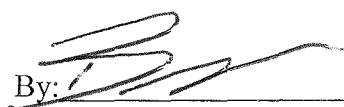
By: 
Name: BRIAN FRITZ
Title: DIRECTOR TRANSMISSION SERVICES

EXHIBIT A

Description of the Facilities and Related Equipment included within the scope of Purchased Assets¹ from the existing 115kV line from PacifiCorp's Lincoln Substation to PGE's Urban Substation.

The Purchased Assets include eleven (11) 115kV line structures and components, line conductor, guys, and anchors along the path including the foundations, jumpers, and insulators for these facilities. The 115kV purchased path begins just north of structure 4/1 extending southerly from the Marquam sub site to and including existing Str.#15/1 on south side of intersection at S.W. Curry St. and SW Corbett Ave. The Purchased Assets include the following structures: 4/1, 6/1, 7/1, 8/1, 9/1, 10/1, 11/1, 12/1, 13/1, 14/1, and 15/1. (Note that there is no structure 5/1). These structures include the following elements:

6 each	<= 60 foot wood poles (5 of the 6 poles are guy stubs)
10 each	>= 65 foot wood poles
11 each	guy anchors
1 lot	2,658 lineal feet of 795 AAC "Arbutus" conductor
264 each	ball & socket porcelain disc insulators
6 each	polymer 115kV deadend insulators
21 each	post insulators

¹ The items listed on this Exhibit A are not intended to be an exhaustive list of all "Purchased Assets," rather it is intended to be a list of all tangible assets that are expected to be transferred to Buyer from Seller at the time of Closing.

One-Line Diagram

EXHIBIT B

Form of Bill of Sale

THIS BILL OF SALE is made and entered into the 14 day of December, 2016 (this "Bill of Sale") by Portland General Electric Company, an Oregon corporation ("Buyer"), for the benefit of, PacifiCorp, an Oregon corporation ("Seller"). Capitalized terms used but not defined in this Bill of Sale shall have the meanings assigned to such terms in the Agreement (as defined below).

RECITALS

WHEREAS, pursuant to that certain Asset Purchase Agreement, made and entered into the 1 day of April, 2016 (the "Agreement"), between Seller and Buyer, Seller has agreed, subject to the terms and conditions of the Agreement, to sell, assign, convey, transfer and deliver to Buyer, free and clear of all Encumbrances (other than Permitted Encumbrances), all of Seller's right, title, and interest in, and to the assets constituting the Purchased Assets.

WHEREAS, pursuant to the Agreement, Seller has agreed to enter into this Bill of Sale pursuant to which the tangible property included in the Purchased Assets will be sold, transferred, assigned, conveyed, set over and delivered to Buyer.

NOW, THEREFORE, in consideration of the foregoing promises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller hereby agrees as follows:

1. Assignment. Subject to the terms and conditions of the Agreement, Seller does hereby sell, assign, convey, transfer and deliver to Buyer, free and clear of all Encumbrances (other than Permitted Encumbrances), all of Seller's right, title, and interest in and to the Purchased Assets.

2. Further Assurances. Seller shall, from time to time after the delivery of this Bill of Sale, at Buyer's request, prepare, execute and deliver to Buyer such other instruments of conveyance and transfer and take such other action as Buyer may reasonably request so as to more effectively sell, transfer, assign and deliver and vest in Buyer title to and possession of the Purchased Assets free and clear of all Encumbrances (other than Permitted Encumbrances) as provide in the Agreement and to further effect the purposes of this Bill of Sale.

3. Relationship to Agreement. The provisions of this Bill of Sale are subject, in all respects, to the terms and conditions of the Agreement, including all of the covenants, representations and warranties, indemnification, remedies (including limitations) contained therein, all of which shall survive the execution and delivery of this Bill of Sale to the extent indicated in the Agreement.

4. No Waiver. It is understood and agreed that nothing in this Bill of Sale shall constitute a waiver or release of any claims arising out of the contractual relationships between Seller and Buyer.

5. No Third Party Beneficiary. Nothing in this Bill of Sale, express or implied, is intended or shall be construed to confer upon, or give to, any person other than Buyer, Seller and their successors and permitted assigns any remedy or claim under or by reason of this Bill of Sale or any agreements, terms, covenants or conditions hereof and all the agreements, terms, covenants and conditions contained in this Bill of Sale shall be for the sole and exclusive benefit of Buyer, Seller and their successors and permitted assigns.

6. Binding Effect. This Bill of Sale and all of the provisions hereof shall be binding upon and shall inure to the benefit of Seller, Buyer and their respective successors and permitted assigns.

7. Governing Law. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of Oregon, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof. Each Party irrevocably consents to the exclusive jurisdiction and venue of any court within the State of Oregon, in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein.

8. Construction. This Bill of Sale is delivered pursuant to and is subject to the Agreement. In the event of any conflict between the terms of the Agreement and the terms of this Bill of Sale, including the terms set forth in Paragraph 6 (Binding Effect) hereof, the terms of the Agreement shall prevail.

9. Severability. Any term or provision of this Bill of Sale that is invalid or unenforceable in any situation will not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

10. Counterparts. This Bill of Sale may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Bill of Sale and all of which, when taken together, will be deemed to constitute one and the same agreement.

11. Notices. All notice, requests, demands and other communications under this Bill of Sale shall be given in accordance with Section 12. 1 of the Agreement and at the addresses set forth therein.

[Signature page follows]

IN WITNESS WHEREOF, Seller has caused its duly authorized representative to execute this Bill of Sale as of the date first above written.

PACIFICORP

By:  _____

Name: BRIAN FRITZ _____

Title: DIRECTOR TRANSMISSION SERVICES

EXHIBIT C

Form of Assignment and Assumption Agreement

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment Agreement"), dated as of the 14 day of December, 2016, is entered into by and between Portland General Electric, an Oregon corporation ("Portland General Electric"), and PacifiCorp, an Oregon corporation ("PacifiCorp"). Capitalized terms used but not defined in this Assignment Agreement shall have the meanings assigned to such terms in the Agreement (as defined below).

WHEREAS, pursuant to that certain Asset Purchase Agreement, dated as of the 1 day of April, 2016 (the "Agreement"), between Portland General Electric and PacifiCorp, (a) PacifiCorp has agreed, subject to the terms and conditions of the Agreement, to sell, assign, convey, transfer and deliver to Portland General Electric, free and clear of all Encumbrances.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, PacifiCorp and Portland General Electric hereby agree as follows:

1. Assignment of Transferable Permits. Subject to the terms and conditions of the Agreement, PacifiCorp hereby assigns, transfers, sets over, delivers and otherwise conveys to Portland General Electric and its successors and assigns forever, free and clear of all Encumbrances (other than Portland General Electric Permitted Encumbrances), an undivided ownership interest in all of PacifiCorp's right, title, and interest in, to, and under the Transferable Permits, to have and to hold with each and every one of the rights, privileges and appurtenances thereto belonging or in any way appertaining thereto.

2. Acceptance and Assumption of the Facilities. Subject to the terms and conditions of the Agreement, Portland General Electric hereby accepts and assumes and agrees to perform and observe, to the extent of Portland General Electric's ownership of the Purchased Assets, PacifiCorp's rights, obligations, duties and liabilities under the Transferable Permits, to the extent allocable to any period on or after the Closing. From and after the Closing Date, Portland General Electric is and shall be bound by, and shall enjoy, the benefits of, the Transferable Permits, pursuant to the terms and conditions of thereof.

3. Reliance. Any individual, partnership, corporation or other entity may rely, without further inquiry, upon the powers and rights herein granted to Portland General Electric and upon any notarization, certification, verification or affidavit by any notary public of any State relating to the authorization, execution and delivery of this Assignment Agreement or to the authenticity of any copy, conformed or otherwise, hereof.

4. Relationship to Agreement. This Assignment Agreement is delivered pursuant to the Agreement. This Assignment Agreement and the provisions hereof are subject, in all respects, to the terms and conditions of the Agreement, including all of the covenants,

representations and warranties contained therein, all of which shall survive the execution and delivery of this Assignment Agreement to the extent indicated in the Agreement. In the event of any conflict between the terms of the Agreement and the terms of this Assignment Agreement, the terms of the Agreement shall prevail.

5. No Waiver. It is understood and agreed that nothing in this Assignment Agreement shall constitute a waiver or release of any claims arising out of the contractual relationships between Portland General Electric and PacifiCorp.

6. No Third Party Beneficiary. Nothing in this Assignment Agreement, express or implied, is intended or shall be construed to confer upon, or give to, any person other than PacifiCorp, Portland General Electric and their successors and permitted assigns any remedy or claim under or by reason of this Assignment Agreement or any agreements, terms, covenants or conditions hereof and all the agreements, terms, covenants and conditions contained in this Assignment Agreement shall be for the sole and exclusive benefit of PacifiCorp, Portland General Electric and their successors and permitted assigns.

7. Binding Effect. This Assignment Agreement and all of the provisions hereof shall be binding upon and shall inure to the benefit of Portland General Electric, PacifiCorp and their respective successors and permitted assigns.

8. Governing Law. This Assignment Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof. Each Party irrevocably consents to the exclusive jurisdiction and venue of any court within the State of Oregon, in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein.

9. Severability. Any term or provision of this Assignment Agreement that is invalid or unenforceable in any situation will not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

10. Counterparts. This Assignment Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Assignment Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.


11. Notices. All notices, requests, demands and other communications under this Assignment Agreement shall be given in accordance with Section 12.1 of the Agreement and at the addresses set forth therein.

12. No Amendment. No amendment to the terms and conditions of this Assignment Agreement shall be valid and binding on PacifiCorp or Portland General Electric unless made in writing and signed by an authorized representative of each of them.

[Signature page follows]

IN WITNESS WHEREOF, each of PacifiCorp and Portland General Electric has caused its duly authorized representative to execute this Assignment and Assumption Agreement as of the date first above written.

PORTLAND GENERAL ELECTRIC COMPANY

By: 
Name: LARRY BEKKEDAH

Title: VP TRANSMISSION & DISTRIBUTION

PACIFICORP

By: 
Name: BRIAN FRITZ

Title: DIRECTOR TRANSMISSION SERVICES

SCHEDULE 2.1

PURCHASED ASSETS

1. **The Facilities.**

The Purchased Assets include eleven (11) 115kV line structures and components, line conductor, guys, and anchors along the path including the foundations, jumpers, and insulators for these facilities. The 115kV purchased path begins just north of structure 4/1 extending southerly from the Marquam sub site to and including existing Str.#15/1 on south side of intersection at S.W. Curry St. and SW Corbett Ave. The Purchased Assets include the following structures: 4/1, 6/1, 7/1, 8/1, 9/1, 10/1, 11/1, 12/1, 13/1, 14/1, and 15/1. (Note that there is no structure 5/1).

2. **Warranty Rights.**

None.

3. **Transferred Contracts.**

None.

4. **Transferrable Permits**

None.

5. **Transferred Intellectual Property.**

None

6. **Related Equipment**

None

7. **Related Inventories**

None.

8. **Records**

None

9. **Third Party Claims**

None.

SCHEDULE 3.3

PERMITTED ENCUMBRANCES

None

SCHEDULE 3.14(b)

ENVIRONMENTAL MATTERS

None.

SCHEDULE 5.1 (a)

REQUIRED CONSENTS

Commission	PacifiCorp	Portland General Electric
Federal Energy Regulatory Commission Section 203	No	No
California Public Utilities Commission	No	No
Idaho Public Utilities Commission	No	No
Oregon Public Utilities Commission	Yes	Yes
Utah Public Service Commission	No	No
Washington Utilities and Transportation Commission	No	No
Wyoming Public Service Commission	No	No