

March 4, 2019

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-Lease Agreement

Under ORS 757.480(2), PacifiCorp d/b/a Pacific Power hereby provides notice of the disposition of the company's agreement to enter into a lease agreement (Lease) with T-Mobile to facilitate access to PacifiCorp distribution property for operation of certain communication equipment and facilities used in connection with its business operations. This transaction involves property classified as Utah-situs and is not in Oregon rates. PacifiCorp files this Notice in accordance with Order No. 14-254, following the Public Utility Commission of Oregon's directive to interpret ORS 757.480 as applying to the total value of an asset disposition, rather than the Oregon-allocated value. In accordance with the terms of the Lease, T-Mobile will pay PacifiCorp \$1,200 per month on an annual basis for the initial term of five years, with the option to exercise three additional five-year terms. Each additional five-year term will include a fifteen percent increase, as described in the Lease. A copy of the Lease is provided as Attachment A.

T-Mobile made a request to PacifiCorp to use a portion of property adjacent to the company's transmission facilities to install certain communication equipment, including an antenna support structure. The portion of property has been determined to not conflict with PacifiCorp current or future facility needs.

The total compensation agreed to for the first term of the lease is \$72,000 on a total company basis, of which zero percent is allocated to Oregon. PacifiCorp determined the value of the lease by speaking to wireless marketers and negotiating with T-Mobile. Providing the lease to T-Mobile 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 information 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

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Please direct any informal questions with respect to this filing to Jason Hoffman, Regulatory Project Manager, at (503) 331-4474.

Sincerely,

Étta Lockey

Vice President, Regulation

ATTACHMENT A

FORM OF RELEASE

LEASE AGREEMENT

This Lease Agreement (this "Lease" or this "Agreement"), including all Exhibits attached hereto, is entered into by and between PacifiCorp, an Oregon corporation, ("Lessor") and T-Mobile West LLC, a Delaware limited liability company ("Lessee").

RECITALS

WHEREAS, Lessor is an electric utility which owns distribution and transmission poles used in connection with its electric utility operations.

WHEREAS, Lessee is a telecommunications company that desires to lease a <u>21'4"x11'4"</u> space within the boundaries of Lessor's Sunrise substation (the "Property") for the purpose of locating thereon certain communication equipment and facilities used in connection with its business operations ("Ground Space").

WHEREAS, Lessor and Lessee desire to enter into this Lease to provide the general terms pursuant to which Lessor shall lease the Ground Space to Lessee.

NOW, THEREFORE, Lessor and Lessee hereby agree to the following terms and conditions.

AGREEMENT

1. **Definitions.**

1.1. <u>Emergency Condition</u>. Any interference or degradation by Lessee Equipment which, in Lessor's sole opinion, jeopardizes its utility operations or Electric Facilities, or the operations or electric facilities of a Service Provider, or creates an imminent risk of physical injury.

1.2. <u>Electric Facilities.</u> Any equipment, facilities, or improvements owned or operated by Lessor or a Service Provider.

1.3. <u>Lessee Equipment.</u> Equipment placed or attached by Lessee or otherwise used by Lessee in accordance with terms and conditions herein.

1.4. Party. Lessor or Lessee, as the context requires; "Parties" means Lessor and Lessee.

1.5. <u>Permitted Uses</u>. Lessee's use of the Ground Space for the installation, operation, maintenance, replacement, repair, and removal of Lessee Equipment and for the purpose of constructing, maintaining, repairing and operating a communications facility and uses incidental thereto. A security fence consisting of chain link construction or similar but comparable construction shall be placed around the perimeter of the Ground Space, as depicted on the attached Exhibit A and incorporated herein by reference.

1.6. Ground Space. That space, as described in Exhibit A, on and within which Lessor permits

Lessee, pursuant to this Lease, to place and install Lessee Equipment thereto.

1.7. <u>Service Provider</u>. A company, other than Lessor, providing electrical utility service.

2 <u>Lease.</u>

2.1 <u>Ground Space</u>. Subject to the terms and conditions contained herein, Lessor agrees to lease the Ground Space to Lessee and Lessee agrees to lease the Ground Space from Lessor. Lessee acknowledges and agrees that Lessor has made no representations or warranties, express or implied, regarding: (i) the physical condition of the Ground Space; (ii) the suitability of the Ground Space for Lessee's desired purposes; or (iii) the state of title of the Ground Space. Lessee further acknowledges and agrees that: (a) Lessee is experienced in land acquisition and site development; (b) that Lessee has conducted or will conduct all necessary and appropriate inspections of the Ground Space; and (c) the Lessee accepts the Ground Space in "as-is, where-is and with all faults" conditions.

2.2 <u>Rights of Way.</u> Lessee acknowledges and agrees that Lessee shall be solely responsible and liable for securing any underlying land rights to the extent necessary for its purposes under this Lease.

3 <u>Use.</u>

3.1 <u>Permitted Uses</u>. Lessee may use the Ground Space only for Permitted Uses. Under no circumstances shall Lessee place any signage, logos, or graphics on the Ground Space or Lessee Equipment, except for such signage required by law or required pursuant to this Lease.

3.2 <u>Compliance with Governmental Requirements.</u> Lessee's use of the Ground Space shall be lawful and in compliance with all applicable laws, orders, ordinances, and regulations of federal, state, county, and municipal authorities and agencies ("Governmental Authorities"), including but not limited to the Federal Communications Commission ("FCC").

3.3 <u>Governmental Approvals.</u> Lessee shall, at its own expense, obtain all authorizations, approvals, permits, licenses, variances, and certificates from Governmental Authorities having jurisdiction required for Lessee's Permitted Uses, including but not limited to, all necessary zoning, land use, or similar approvals, and all certificates of public convenience and necessity, licenses, or similar operating authority from the FCC ("Governmental Approvals"). Lessor agrees to reasonably cooperate with Lessee, at Lessee's sole expense, in obtaining Governmental Approvals.

4 Access.

4.1 <u>Right and Location.</u> Lessee acknowledges and agrees that Lessee's access to the Ground Space during Lessee's initial construction and installation of Lessee's equipment, may be restricted as a result of Lessor's and/or Service Provider's activities in the normal course of operating Electric Facilities, including activities related to electric outages and other emergencies. Lessor and Lessee agree to cooperate with one another and with Service Providers to minimize any restricted access to the Ground Space.

4.2 <u>Restricted Access</u>. Prior to Ground Space being fenced off from Lessor's Electrical Facilities, Lessee may not access the Ground Space unless accompanied by a qualified representative. A qualified representative shall be either an employee of Lessor or a contractor who is pre-approved in writing by Lessor. Lessee shall pay Lessor's costs in accompanying Lessee to the Ground Space if

any construction of installation of Lessee's Equipment occurs outside of Lessor's normal operating hours. In the event of an emergency in the Ground Space, Lessee shall notify Lessor by telephone and Lessor will make access available to Lessee as soon as practicable. Following completion of Lessee's construction at the Ground Space and installation of a fence around the Ground Space (with separate access gate), Lessee shall thereafter throughout the term of this Agreement have access to the Ground Space on a 24-hour-a-day, 7-day-a-week basis.

5 Interference.

5.1 <u>Interference Prohibited</u>. Lessee shall not, nor shall it allow its licensees, employees, invitees, contractors, or agents to engage in any activity on or about the Ground Space that interferes with the access or use of the Sunrise Substation or associated facilities by Lessor, a Service Provider, or their respective lessees or licensees (other than Lessee); nor shall Lessee permit the transmission of its electromagnetic signals to cause interference with or degradation of the transmissions, authorized radio frequencies, or equipment of Lessor, a Service Provider or their respective lessees or licensees (other than Lessee). Lessee shall, at its own expense, eliminate any such interference or degradation as soon as practicable after receipt of notice by Lessor, which notice may be made by telephone to 1-877-611-5868 or such other number as Lessee may provide.

5.2 Lessor shall have the right to disable, or cause to be disabled, either manually or remotely any and all of Lessee's Equipment which creates or exacerbates an Emergency Condition.

5.3 Preventing Interference. Lessee agrees to install equipment of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to any equipment of Lessor or other lessees of the Property which existed on the Property prior to the date this Agreement is executed by the parties. In the event any after-installed Lessee's equipment causes such interference, and after Lessor has notified Lessee in writing of such interference, Lessee will take all commercially reasonable steps necessary to correct and eliminate the interference, including but not limited to, at Lessee's option, powering down such equipment and later powering up such equipment for intermittent testing. In no event will Lessor be entitled to terminate this Agreement or relocate the equipment as long as Lessee is making a good faith effort to remedy the interference issue, except in the event that immediate steps are required to eliminate an Emergency Condition. Lessor agrees that Lessor and/or any other tenants of the Property who currently have or in the future take possession of the Property will be permitted to install only such equipment that is of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to the then existing equipment of Lessee. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Paragraph and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance. Lessor shall notify Lessee in writing of any material modification to Lessor's Equipment that it reasonably believes may present a substantial risk of interference with Lessee's Equipment. If Lessee determines that it is not economically practical to correct an interference problem caused by Lessor's modification, Lessee may terminate this Lease by providing written notification to Lessor with no further obligations or liability thereunder except the obligations accrued to the date of termination.

5.4 <u>Lessor's Use of the Ground Space</u>. Lessee acknowledges and agrees that Lessor's and other Service Providers' access to and use of the Electric Facilities in the normal course of providing electric service, including activities related to electric outages and emergencies of whatever type and however caused, shall not constitute an impermissible interference with Lessee's use of the Ground Space and that Lessor and Service Providers shall not be liable to Lessee as a result of any interference in any way arising from such use.

6 <u>Term.</u>

The term of this Lease shall commence on October 1, 2017 ("Commencement Date"). The initial term of this Lease shall terminate on the fifth (5th) anniversary of the Commencement Date, subject to the conditions and provisions set forth in this Lease. Lessee shall have the right to extend the term for three (3) successive five (5) year terms (the "Extension Terms") on the same terms and conditions. This Lease shall automatically be extended for each successive renewal term unless Lessee notifies Lessor of its intention not to renew at least thirty (30) days prior to commencement of the succeeding renewal term.

7 Rent, Fees, and Taxes.

7.1 <u>Base Rent.</u> During the initial term of this Lease, Lessee shall pay monthly rent to Lessor in the initial amount of **ONE THOUSAND TWO HUNDRED DOLLARS (\$1,200.00).** The first monthly payment shall be made within 30 days of the Commencement Date (the "Base Rent") and monthly thereafter, to be increased as provided in Section 7.2 below, together with the Additional Rent hereinafter described.

7.2 <u>Increase in Base Rent</u>. The Base Rent for the first (1st) five (5) year Extension Term shall be increased to \$1,380.00 per month; The Base Rent for the second (2nd) five (5) year Extension Term five (5) year Extension Term shall be increased to \$1,587.00 per month; and The Base Rent for the third (3rd) five (5) year Extension Term (5) year Extension Term shall be increased to \$1,825.00 per month.

7.3 <u>Additional Rent</u>. In addition to the Base Rent, Lessee agrees to pay to Lessor as "Additional Rent": (i) all expenses incurred by Lessor as a result of providing access to Lessee as provided in Section 4.2 hereof; (ii) all expenses, costs, fees, taxes, increases in fees and taxes, and charges of any nature imposed by a Governmental Authority (but excluding taxes on Lessor's net income) incurred by Lessor as a result of Lessee's use or occupancy of the Ground Space, or as specified elsewhere in this Lease; and (iii) any reasonable expenses (using Lessor's standard rate plan for such charges) incurred by Lessor relating to Lessee's inspection, testing, use, or occupancy of the Ground Space, or activities preparatory to attachment of Lessee Equipment. Payment of such Additional Rent is due within thirty (30) days following receipt of invoice by Lessee. If there are lessees, licensees, or other users in addition to Lessee specified herein are attributable solely to Lessee, then Lessee and each other lessee, licensee, or other user shall pay an equal portion of additional rent.

7.4 <u>Holdover Rent</u>. If Lessee retains possession of the Ground Space after expiration of this Lease, the rent for the Ground Space shall be increased to 125% of the last Base Rent applicable to the Ground Space prior to expiration.

7.5 <u>Taxes</u>. Lessee shall pay when due any taxes, including but not limited to any personal property taxes assessed on, or any portion thereof attributable to Lessee Equipment, and Lessee's construction, operation, and maintenance thereof. Lessor shall pay when due all real property taxes and assessments attributable to Lessee's use of the Ground Space.

7.6 <u>Application Fees</u>. Lessee shall pay a One Thousand Dollar (\$1,000.00) fee for the application submitted with this Lease. This fee shall be payable upon submittal of the application and is nonrefundable.

7.7 <u>Late Charge.</u> If any payment or rent by Lessee is not received by Lessor when due, Lessee shall pay Lessor a late payment charge equal to ten percent (10%) of the overdue payment. Lessee agrees that this late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of Lessee's late payment. Lessee's acceptance of a late charge shall in no event constitute a waiver by Lessor of Lessee's default for the payment of the overdue payment; nor prevent Lessor from exercising any of the other rights or remedies granted Lessor under this Lease, or at law or in equity.

8 Lessee Equipment.

Installation. Upon the Commencement Date, Lessee shall have the right, at its sole cost and 8.1 expense, to install, maintain, and operate Lessee Equipment on and within the Ground Space, as described in Exhibit A; provided, however, all such work shall be performed by either Lessor or a contractor pre-approved by Lessor in writing such approval not to be unreasonably withheld. Prior to commencing the initial installation of Lessee Equipment at the Ground Space, Lessee shall provide Lessor with a description of Lessee Equipment and its plans for installation or alteration for approval, which approval shall not be unreasonably withheld or delayed. All of Lessee's work must be performed at Lessee's sole cost and expense, in a good and workmanlike manner, and in accordance with any applicable laws, ordinances and regulations. Such work shall not interfere with or adversely affect any Electric Facilities or access thereto. Following the initial installation of Lessee's Equipment, thereafter, all improvements, equipment, antennas and/or conduits shall be at installed at Lessee's expense and their installation shall be at the discretion and option of Lessee. During the Agreement's term, Lessee shall have the right to replace, repair, add or otherwise modify its utilities, equipment, antennas and/or conduits or any portion thereof and the frequencies over which the equipment operates, whether the equipment, antennas, conduits or frequencies are specified or not on any exhibit attached hereto.

8.2 <u>Maintenance and Repair</u>. Lessee shall, at its own expense, keep and maintain Lessee Equipment in commercially reasonable condition and repair during the term of this Lease. Lessor shall not be obligated to incur costs or loss of revenue or otherwise assist Lessee in meeting such obligations.

8.3 <u>Utility Service</u>. Lessee shall be responsible to provide any necessary connection for the provision of electric or other utility service to Lessee Equipment, and shall pay all electric utility charges for electricity consumed by Lessee.

8.4 <u>Inspection</u>. Lessor shall be entitled at any time and without notice to Lessee to inspect the Ground Space and Lessee Equipment. Lessor shall conduct its inspections in a manner that will reasonably minimize the disruption of Lessee's Permitted Uses.

8.5 <u>Title and Removal.</u> Lessee Equipment shall remain the exclusive personal property of Lessee, and shall not be deemed to be fixtures or real property regardless of the manner of attachment to the Ground. Lessee shall have the right to add, modify, or remove Lessee Equipment during the term of this Lease. By written notice, Lessor may require Lessee to remove all or any part of the Lessee Equipment and any other property which it installed on the Ground Space, at Lessee's sole expense, upon expiration or earlier termination of the this Lease. If Lessee fails to remove any Lessee Equipment or other property within thirty (30) days after written notice to Lessee following the expiration or earlier termination of this Lease or holdover tenancy, Lessor may remove all or any part of such Lessee Equipment or other property at Lessee's cost and expense in a commercially reasonable manner; provided, however, that Lessor shall not be deemed to have assumed any obligation to any party holding a security interest in the Lessee Equipment or other property unless so acknowledged by Lessor in writing, and Lessee shall remain liable to such secured party.

9 <u>Termination Prior to Expiration.</u>

9.1 <u>By Lessor</u>. Provided that Lessor is not in material default of this Lease, Lessor may terminate this Lease as follows:

- i Immediately upon an Event of Default by Lessee as defined and set forth in Section 18 herein, which is not cured within forty-five (45) days after written notice of the default to Lessee; or, if such breach is not curable within forty-five (45) days if Lessee fails to commence such cure within forty-five (45) days or fails thereafter diligently to prosecute such cure to completion.
- ii Immediately in the event Lessor or another Service Provider experiences interference with Lessor's or Service Provider's use of or access to their respective Electric Facilities due to Lessee's placement or operation of Equipment on the Ground Space and such interference is not eliminated as provided in Section 5 hereof; provided, however, that Lessor shall, at Lessee's sole cost and expense, reasonably cooperate with Lessee to resolve any such interference.
- iii Immediately in the event of condemnation of the property on which the Ground Space is located as of the date the condemning authority takes possession, or the date of vesting of title in the condemning authority, whichever first occurs, as indicated in Section 10 below, unless the Parties agree to an amendment of this Lease with respect to such Ground.
- 9.2 By Lessee. Provided that Lessee is not in material default of this Lease, Lessee may terminate

this Lease as follows:

- i Immediately upon an Event of Default by Lessor as defined and set forth in Section 18 herein, which is not cured within forty-five (45) days after written notice of the default to Lessor; or, if such breach is not curable within forty-five (45) days, if Lessor fails to commence such cure within forty-five (45) days or fails thereafter diligently to prosecute such cure to completion.
- ii Immediately in the event of condemnation of the property upon which the Ground Space is located as of the date the condemning authority takes possession, or the date of vesting of title in the condemning authority, whichever first occurs or in the event of casualty, in accordance with Section 10 below.
- iii Upon forty-five (45) days' prior written notice if Lessee is unable to obtain or maintain, after reasonable efforts to do so, any Governmental Approvals necessary for construction, installation, operation and maintenance of the Lessee Equipment.
- iv Upon forty-five (45) days' prior written notice to Lessor in the event that Lessee reasonably determines that any electronic emissions by Lessor materially interfere with the operation of Lessee Equipment Ground Space and such interference is not eliminated as provided in Section 5 hereof.
- v Upon forty-five (45) days' prior written notice to Lessor in the event that Lessee determines, in its sole discretion, that the Ground Space is no longer technically compatible for its use, or Lessee, in its sole discretion, determines that the use of the Ground Space or is obsolete or unnecessary
- 9.3 <u>Consequences of Termination</u>. In the event of termination of this Lease:
 - i Any prepaid Rent shall be apportioned based on the termination date and reimbursed by Lessor to Lessee, unless termination is on account of Lessee's material breach of this Lease, in which event Lessor may retain so much of the prepaid rent as Lessor deems necessary to offset its damages and expenses resulting from the breach.
 - ii Termination shall not extinguish any accrued obligations of the Parties.

10 Condemnation.

If at any time during the term of this Lease, all or substantially all (meaning the remaining portion thereof shall not be of sufficient size or condition to permit the continuation of Lessee's use in a commercially reasonable manner) of the property upon which the Ground is located shall be taken in the exercise of the power of eminent domain by any Governmental Authority or other person or entity possessing such power, or by deed in lieu of condemnation, then this Lease shall automatically terminate as to those Grounds affected, effective as of the date of possession by the condemning authority or the vesting of title in the condemning authority, whichever first occurs. Lessor and Lessee shall each be entitled to pursue their own separate condemnation awards.

11 Insurance Requirements.

11.1 Without limiting any liabilities or any other obligations of Lessee, Lessee shall, prior to use or occupancy of the premises and during the term of this Lease Agreement, secure and continuously carry with insurers having an A.M. Best Insurance Reports rating of A-:VII or better such insurance as will protect Lessee from liability and claims for injuries and damages which may arise out of or result from Lessee's operations under the Lease Agreement and for which Lessee may be legally liable. Lessee shall also require its independent contractors to carry the insurance listed below. Lessee shall insure the risks associated with use or occupancy of the premises and the Lease Agreement with coverages and limits as set forth below:

<u>Workers' Compensation</u>. Lessee shall comply with all applicable workers' compensation laws and shall furnish proof thereof satisfactory to PacifiCorp prior to use or occupancy of the premises.

<u>Employers' Liability.</u> Insurance with a minimum single limit of \$1,000,000 each accident, \$1,000,000 by disease-each employee, and \$1,000,000 by disease-policy limit.

<u>Commercial General Liability</u>. Lessee shall maintain commercial general liability insurance on the most recently approved ISO policy, or its equivalent, written on an occurrence basis, with minimum limits of \$5,000,000 each occurrence/ \$5,000,000 general aggregate for bodily injury and property damage, including the following coverage:

- i. Premises and operations coverage
- ii. Contractual liability
- iii. Broad form property damage liability
- iv. Sudden and accidental pollution liability, as applicable but which may be covered on a separate policy

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

<u>Umbrella or Excess Liability</u>. Lessee shall maintain umbrella or excess liability insurance with a limit of \$5,000,000 each occurrence/aggregate where applicable on a following form basis to be excess of the insurance coverage and limits required in employers' liability insurance, commercial general liability insurance and business automobile liability insurance above. Lessee shall provide Notice to PacifiCorp, if at any time the full umbrella limit required under this Agreement is not available, and will purchase additional limits, if requested by PacifiCorp. Lessee may use any combination of primary and excess insurance to meet the required total limits.

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

Except for workers' compensation, the policies required herein shall include provisions or endorsements including PacifiCorp, its parent, divisions, affiliates, subsidiary companies, colessees, co-venturers, officers, directors, agents, employees, servants and insurers as additional insureds as applicable to specific insurance coverage. The commercial general liability additional

insured endorsement shall be ISO Form CG 20 10 or its equivalent.

To the extent of Licensee's negligent acts or omissions, all policies required by this Lease Agreement shall include: (i) provisions that such insurance is primary insurance with respect to the interests of Pacificorp and that any other insurance maintained by Pacificorp (including selfinsurance) is excess and not contributory insurance with the insurance required hereunder; and (ii) provisions that the policy contain a cross liability or severability of interest clause or endorsement in the commercial general liability and automobile liability coverage. Unless prohibited by applicable law, all required insurance policies shall contain provisions that the insurer will have no right of recovery or subrogation against Pacificorp, its parent, divisions, affiliates, subsidiary companies, co-lessees or co-venturers, agents, directors, officers, employees, servants, and insurers, it being the intention of the Parties that the insurance as effected shall protect all of the above-referenced entities evidenced by waiver of subrogation wording. A certificate of insurance shall be furnished to PacifiCorp confirming the issuance of such insurance prior to use or occupancy of the premises by Lessee. Lessee agrees to permit PacifiCorp access to its applicable insurance policies should PacifiCorp, at any time that this Lease Agreement is in effect, receive either a denial of coverage or a reservation of rights letter from an insurance carrier providing any of Lessee's required insurance policies

Lessee shall not cancel or reduce limits of liability without (i) ten (10) calendar days prior written Notice to PacifiCorp if canceled for nonpayment of premium; or (ii) thirty (30) calendar days prior written Notice to PacifiCorp if canceled for any other reason. Lack of notification shall be considered a material breach of this Lease Agreement.

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

12 Indemnification.

- 12.1 Lessee's Indemnity. Lessee shall indemnify, protect, and hold harmless Lessor and its directors, officers, employees and agents (hereinafter collectively "Lessor Indemnified Parties") against and from any and all claims, demands, suits, losses, costs and damages of every kind and description, including reasonable attorneys' fees and/or litigation expenses, brought or made against or incurred by the Lessor Indemnified Parties resulting from, arising out of, or in any way connected with any act, omission, fault or negligence of Lessee, its employees, agents, licensees, representatives or contractors, their employees, agents or representatives in the performance or nonperformance of Lessee's obligations under this Agreement or in any way related to this Agreement except to the extent that such claim, demand, loss, cause of action, or costs arises from Lessor's negligence or willful misconduct.
- 12.2 <u>Lessor's Indemnity</u>. Lessor shall indemnify, protect, and hold harmless Lessee and its directors, officers, employees and agents (hereinafter collectively "Lessee Indemnified Parties") against and from any and all claims, demands, suits, losses, costs

and damages of every kind and description, including reasonable attorneys' fees and/or litigation expenses, brought or made against or incurred by the Lessee Indemnified Parties resulting from, arising out of, or in any way connected with any act, omission, fault or negligence of Lessor, its employees, agents, licensees, representatives or contractors, their employees, agents or representatives in the performance or nonperformance of Lessor's obligations under this Agreement or in any way related to this Agreement except to the extent that such claim, demand, loss, cause of action, or costs arises from Lessee's negligence or willful misconduct.

12.3 <u>Brokerage Indemnity</u>. If either party is represented by a real estate broker in connection with this Lease, that party shall be fully responsible for any fee due such broker and shall hold the other party hereto harmless from any claims for commission or fee by such broker.

13 Notices.

Except as specifically provided elsewhere in this Lease for telephonic notice, all notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if mailed, certified mail, return receipt requested, or sent by overnight carrier to the addresses set forth herein. Addresses for notice may be changed by giving written notice of the change in the manner set forth herein.

If to Lessor:If to Lessee:PacifiCorpT-Mobile USA, Inc.Property Management12920 SE 38th Street1407 W. North Temple, suite 110Bellevue, WA 98006Salt Lake City, UT 84116Attn: Lease Compliance/SL01655A

With a copy to: Rocky Mountain Power General Counsel 1407 W. North Temple, suite 320 Salt Lake City, UT 84111

14 Authority and Quiet Enjoyment.

14.1 <u>Authority</u>. Each party covenants and warrants to the other that it has full right, power, and authority to execute this Lease and that the execution and performance thereof will not violate any applicable laws, ordinances or covenants, or the provisions of any agreement binding on that party. Each party represents that its representative who executes this Lease has been duly authorized to do so by appropriate corporate action.

14.2 <u>Quiet Enjoyment.</u> Lessor covenants and warrants to Lessee that it has full right, power and authority to execute this Lease, and that, subject to the provisions of this Lease, at all times during the term of this Lease, Lessee's quiet enjoyment of Ground Space shall not be disturbed as long as Lessee is not in default in the performance of its obligations under the terms of the Lease. Lessor will take no action not expressly permitted under the terms of this Lease that will interfere with Lessee's use of the Ground Space, nor will Lessor fail to take any action or perform any obligation necessary to fulfill Lessor's aforesaid covenant of quiet enjoyment in favor of Lessee.

15 Subordination.

Lessee acknowledges and agrees that this Lease is subject and subordinate at all times to:

- i. the lien of all mortgages and deeds of trust securing any amount or amounts whatsoever which may now exist or hereafter be placed on or against any Ground or against Lessor's interest therein, and
- ii. any underlying ground lease, license, or permit, all without the necessity of having further instruments executed by Lessee to effect such subordination. Lessor agrees to use its best efforts to obtain a non-disturbance agreement, at Lessee's expense, from the holders of any such lien, ground lease, license or permit if required for Lessee to engage in Permitted Uses.

16 Environmental Laws.

16.1 <u>Terms</u>. As used herein, the term "Environmental Laws" shall mean any and all local, state or federal statutes, regulations, or ordinances pertaining to the environment or natural resources. As used herein, the term "Hazardous Substance" shall mean any toxic or hazardous waste or substance that is regulated by Environmental Laws.

16.2 <u>Compliance with Environmental Laws.</u> Lessor and Lessee each represent, warrant and agree that they will conduct their activities on and about the Ground in compliance with all applicable Environmental Laws.

16.3 <u>Indemnification</u>. Each party agrees to defend, indemnify and hold harmless the other party and its affiliates from and against any and all claims, causes of action, demands and liability including, but not limited to, damages, costs, expenses, assessments, penalties, fines, losses, judgments and reasonable attorney's fees (at trial and appeal) that the indemnified party may suffer due to the existence or discovery of any Hazardous Substance on any property on which the Ground Space is located or the migration of any Hazardous Substance to other properties or released into the environment, that are caused by or result from the indemnifying party's activities on such property. Indemnification herein specifically includes costs incurred in connection with any investigation of conditions or any cleanup, remediation, removal or restoration work required by any Governmental Authority on such property. The provisions of this Section will survive the expiration or termination of this Lease.

17 Subleasing and Assignment.

17.1 Lessee's Rights. Without the prior written consent of Lessor, which shall not be unreasonably withheld, delayed, or conditioned, Lessee shall not assign this Lease, or any of its rights with respect thereto, including without limitation any assignment to a third party of any radio frequency used by Lessee on the Ground Space, nor sublet any Ground Space, nor relinquish possession of any Ground Space or any part thereof, nor permit any other person to use any Ground Space or any part thereof. Any assignee shall assume Lessee's obligations under this Lease in writing. No assignment shall relieve Lessee of its obligations hereunder unless so agreed by Lessor in writing. Notwithstanding the foregoing, this Agreement may be sold, assigned or transferred by Lessee without any approval or consent of Lessor to Lessee's principal, affiliates, subsidiaries of its principal or to any entity which acquires all or substantially all of Lessee's assets in the market defined by the Federal Communications Commission in which the Property is located by reason of a merger, acquisition or other business reorganization.

17.2 <u>Lessor's Rights.</u> Lessor may assign this Lease, or any of its rights with respect thereto, and may sell, transfer, or encumber any Ground Space, without the approval or consent of Lessee, provided that any such sale, transfer, or encumbrance is made subject to this Lease.

Lessee's Lender. Lessee may grant a security interest in Lessee's Equipment, for security, 17.3 to a third party lender or creditor, including its successors and assigns ("Secured Party"), but may not grant a security interest of any type or in any form, including but not limited to a mortgage or deed of trust, in Lessee's Equipment that would encumber or impair Lessor's interest in the real property containing the Ground Space without the prior written consent of the Lessor, which consent may be conditioned upon the Secured Party executing a subordination and non-disturbance agreement in favor of Lessor in a form satisfactory to Lessor. In such event, Lessor shall execute such consent to leasehold financing as may reasonably be required by a Secured Party, subject to and not inconsistent with the terms and conditions of this Lease. With the exception of an Emergency Condition, Lessor agrees to simultaneously notify Lessee and any Secured Party of whose identity and interest Lessee has given Lessor notice, of any default by Lessee, and to give such Secured Party the same rights as Lessee to cure any default or to remove any property of Lessee or Secured Party located on the Ground Space. All such notices to Secured Party shall be sent to Secured Party at the address specified by Lessee upon entering into a financing agreement with Secured Party. Failure by Lessor to give Secured Party such notice shall not diminish Lessor's rights against Lessee, but shall preserve all rights of Secured Party to cure any default and to remove any property of Lessee or Secured Party located on the Ground Space, subject to the terms and conditions of this Lease.

18 Default and Remedies.

18.1 <u>Default by Lessee</u>. The occurrence of any one or more of the following events constitutes an "Event of Default" by Lessee:

i. Lessee fails to pay rent or any amounts due under this Lease within ten (10) days after written notice that such payment is past due;

ii. Lessee fails to eliminate any Lessee-caused interference with or degradation of transmissions from Lessee's equipment within the time allowed by this Lease;

iii. A petition is filed by or against Lessee under the Federal Bankruptcy Code or any

similar law or statute of the United States or any state (and with respect to any petition filed against Lessee, such petition is not dismissed within sixty (60) days after the filing thereof); Lessee is adjudged bankrupt or insolvent; a receiver, custodian or trustee is appointed for Lessee or for any of the assets of Lessee, which appointment is not vacated within thirty (30) days of the date of the appointment; Lessee becomes insolvent and is unable to pay its debts as they become due; or makes a transfer in fraud of creditors; or

iv. Lessee fails to perform or observe any other term or condition of this Lease and such failure continues for forty-five (45) days after written notice from Lessor; or, if such failure is not curable within forty-five (45) days, if Lessee fails to commence such cure within forty-five (45) days or fails thereafter diligently to prosecute such cure to completion.

18.2 <u>Default by Lessor</u>. The occurrence of the following event constitutes an "Event of Default" by Lessor: Lessor fails to perform or observe any other term or condition of this Lease and such failure continues for forty-five (45) days after written notice from Lessee; or, if such failure is not curable within forty-five (45) days, if Lessor fails to commence such cure within forty-five (45) days or fails thereafter diligently to prosecute such cure to completion.

18.3 <u>Remedies</u>. So long as an Event of Default applicable to this Lease continues, the party who is not in default, pursuant to Section 18, above, may, in addition to any other remedy it may have under applicable law or in equity, terminate this Lease. Such termination shall not extinguish either party's accrued obligations under this Lease. In addition to or in lieu of termination of this Lease, either party shall have the right to enforce the terms of this Lease through an action at law or in equity, in which event the non-prevailing party shall be obligated to pay the prevailing party's reasonable attorney fees and costs of court. The rights granted in this Lease are cumulative of every other right or remedy that the enforcing party may otherwise have at law or in equity or by statute, and the exercise of one or more rights or remedies will not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

19 Additional Provisions.

19.1 <u>No Joint Venture or Partnership</u>. Neither this Lease, nor the actions of either party with respect thereto or with respect to each other, shall be deemed to create a partnership, joint venture, or agency relation between the Parties.

- 19.2 <u>No Waiver</u>. No provision of this Lease shall be deemed to be waived by either party unless the waiver is in writing and signed by the party against which enforcement is attempted. No custom or practice course of dealing which may develop between the Parties in the administration of the terms of this Lease or course of performance or failure of either party to enforce any term, right or condition is to be construed to waive or lessen any party's right to insist upon strict performance of the terms of this Lease. With respect to the Parties' obligations under this Lease, time is of the essence.
- 19.3 <u>Severability</u>. In the event that any part of this Lease is found to be illegal, or in violation of public policy, or for any other reason unenforceable, such finding shall in no event invalidate or

render unenforceable the other parts of this Lease.

19.4 <u>Applicable Law.</u> In the event that legal action is required to enforce this Lease or any remedy pursuant thereto, this Lease shall be interpreted and enforced according to the laws of the jurisdiction where the Property is located.

19.5 Force Majeure. Except for the late payment of monies due under this Lease, neither Party shall be deemed in default hereunder for any delay or failure in the performance of its obligations to the extent that such inability shall be due to causes beyond the control of the Party seeking to invoke this provision, including, but not limited to, the following: (a) the operation and effect of any rules, regulations and orders promulgated by any commission, municipality, or governmental agency of the United States of America or any state, territory or political subdivision thereof; (b) restraining order, injunction or similar decree of any court; (c) war; (d) earthquake, fire or flood; (e) act of God; (f) civil disturbance; (g) strikes or boycotts; or (h) major equipment breakdown or failure. The Party claiming Force Majeure under this provision shall provide prompt written notice to the other Party and shall make every reasonable attempt to mitigate or remedy the cause thereof as diligently and expeditiously as possible. Time periods for performance obligations of Parties herein shall be extended for the period during which Force Majeure was in effect.

19.6 <u>Attorney Fees and Costs.</u> The prevailing party in any litigation arising hereunder shall be entitled to its reasonable attorney fees and court costs, including fees and costs incurred through any applicable appeal process.

19.7 <u>Agreement Construction</u>. The Parties hereto acknowledge and agree that each has been represented by counsel and that each of the Parties has participated in the drafting of this Lease. Accordingly, it is the intention and agreement of the Parties hereto that the language, terms and conditions of this Lease is not to be construed in any way against or in favor of any party by reason of the responsibilities in connection with the preparation of this Lease. In construction of this Lease, the singular includes the plural, and the plural the singular, and words in the present tense include the future tense, as the context requires; section headings are for convenience only, and shall not be considered in construction of the text.

19.8 <u>Counterparts</u>. This Lease may be executed in any number of counterpart copies, each of which shall be deemed an original instrument, but all of which together shall constitute one agreement.

19.9 <u>Entire Agreement.</u> This Lease shall constitute the entire agreement and understanding of the Parties with respect to the subject matter thereof, and supersede all offers, negotiations and other agreements with respect thereto. Any amendment to this Lease must be in writing and executed by the authorized representatives of both Parties.

19.10 <u>Successors and Assigns.</u> This Lease shall be binding upon and inure to the benefit of the Parties, their respective successors and permitted assigns.

19.11 <u>Confidentiality</u>. Neither party shall reveal or disclose to any person or entity any of the terms or provisions of this Lease or any information provided by the other Party regarding Improvements or Equipment except (a) as expressly provided in this Lease, (b). as may be consented to in writing by the other Party as determined within its sole discretion, (c) to its employees, agents and representatives to the extent necessary to perform its obligations hereunder, (d) to the extent required by law or the rules of any regulatory agency pursuant to a request under such laws or rules, or (e) if compelled by order of any court or governmental agency of competent jurisdiction, provided, however, that with respect to (d) and (e) above, the disclosing Party will, before making any disclosure, give the non-disclosing Party prompt prior written notice of any disclosure request, or court or governmental agency ordered disclosure, and will, to the extent allowed by law, give the non-disclosing Party an opportunity to object to and seek to prevent or limit such disclosure; provided, however, that an inadvertent disclosure shall not constitute a violation of this covenant.

19.12 <u>Jury Waiver</u>. 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.

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

By: Printed: TERHAL Title: 2000 Date:

Lessor: PacifiCorp, an Oregon corporation

Lessee: T-Mobile West LLC

By: Printed: TitleTodd Wheeler Area Director, Engineering & Operations Date:

T-Mobile Legal Approval Lois Duran

EXHIBIT A

DESCRIPTION OF PROPERTY AND GROUND SPACE

Property:

The Premises that are the subject of the Premises Leases to which this Exhibit A is attached are located in Salt Lake County, State of Utah, at the Site location of Sunrise Substation, and are more particularly described as follows: See attached prints

Ground Space:

Lessee may install Lessee Equipment on the Ground as shown in the attached construction drawings.

1-110

8945431

WHEN RECORDED, RETURN TO:

<u>PacifiCorp</u> 1401 West North Temple Salt Lake City, UT 84116 Attn: Dennis Harper, Real Estate Services

PLEASE MAIL TAX NOTICES TO GRANTEE ADDRESS BELOW

TAX PARCEL # 24-24-300-005-4001 P+ 01 26-24-300-010

OUITCLAIM DEED

OM ENTERPRISES COMPANY, a Utah corporation, Grantor, whose address is 5295 South 300 West, Suite 475, Murray, UT 84107, hereby QUITCLAIMS to PACIFICORP, an Oregon corporation, Grantee, having an office located at 1407 West North Temple, Salt Lake City, Utah 84116, for the sum of TEN DOLLARS, the following described tract of land in Salt Lake County, State of Utah, more particularly described as:

Commencing at the South 1/4 Corner of Section 24, Township 3 South, Range 2 West, Salt Lake Base & Meridian, and running thence North 89°58'44" West for 713.75 feet and North 00°01'16" East 42.50 feet to the POINT OF BEGINNING; thence North 89°58'44" West 360.00 feet; thence North 00°01'16" East 246.00 feet; thence South 89°58'44" East for 360.00 feet; thence South 00°01'16" West for 246.00 feet to the POINT OF BEGINNING.

IN WITNESS WHEREOF, the hand of said Grantor, this 5th day of January,

GRANTOR:

OM ENTERPRISES COMPANY, a Utah corporation,

1 Malton By:

323761

2004.

LAJ:1057938.1

BK 8932 PG 3994

B945431 01/09/2004 11:19 AM 12.00 Book - 8932 P3 - 3994-3995 GARY W. OTT FECORDER, SALY LAKE COUNTY, UTAN FIRST AMERICAN TITLE BY: ZJM, DEPUTY - M 2 F.

Name: P. F. McMahon Its: President and Chief Executive Officer

 $\cdot = \cdot \cdot \cdot \cdot$

STATE OF UTAH)

) ss.

COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this <u>for</u> day	of
January, 2003 by P. F. McMahon as President and Chief Operating Officer of OM Enterpris	
Company, a Utah corporation STEPHANIE SANT	
STEPHANIE SANT	
AVAGENNA NOTARY PUBLIC + STATE OF ITAR 1	

(Scal) NOTARY PUBLIC • STATE of UTAH 2295 SOUTH 300 WEST STE 475 MURRAY UT 84107 COMMISSION EXPIRES: 03-17-2007	NOT AND AND I O
My Commission Expires: 3.17.07	Residing at: SAVT LAKE COUNTY

LA3:1057938.1

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