

SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT AND RELEASE ("*Agreement*") is made and entered into by and between ROCKY MOUNTAIN POWER, a division of PacifiCorp (the "*Company*"), and TOOELE COUNTY, a political subdivision of the State of Utah (the "*County*"). This Agreement shall be effective pursuant to paragraph 15 herein.

RECITALS

A. In 2009, the Company sought a conditional use permit (the "*CUP*") from the County for the construction and operation of the Mona to Oquirrh transmission project (the "*Project*"). The County denied the Company's application for the CUP.

B. The Company subsequently appealed the County's decision to the Utah Utility Facility Review Board (the "*Board*"), a Board created by the Utah Legislature to resolve disputes between local governments and public utilities regarding the siting and construction of infrastructure and facilities.

C. After a hearing before the Board, the Board issued its decision finding that the Project is needed to provide safe, reliable, adequate, and efficient electrical services throughout the State of Utah and ordered the County to issue the CUP.

D. Following the issuance of the Board's order, the County appealed that order to the Utah Court of Appeals, where the appeal is currently pending. All of the proceedings relating to or arising out of the issuance of the CUP, including but not limited to the Board hearing, the currently pending Court of Appeals proceeding, and the petition for certiorari currently pending before the Utah Supreme Court are referred to herein as the "*Litigation*."

E. Additionally, the Company and the County are co-defendants in the litigation filed by Tooele City in the Third District Court (Tooele County) challenging the issuance of the CUP (the "*City Litigation*").

F. The Company and the County now desire to settle the dispute between them and to terminate the Litigation in accordance with the terms and conditions of this Agreement. In entering into this Agreement, neither the Company, nor the County admits any liability or error, either in connection with the Litigation or otherwise.

AGREEMENT

In consideration of the mutual promises, covenants, releases, and agreements contained herein, the Company and the County agree as follows:

1. Dismissal of the Litigation. Within five days of the date this Agreement becomes effective, the Company and the County shall cause their respective legal counsel to execute a stipulation and proposed order for dismissal with prejudice of the Litigation which shall be filed in all applicable courts in which the Litigation is pending. The County agrees not to take any further administrative, court, or other action, either directly or indirectly, to challenge, oppose, or take any position contrary to any permit, order or authorization needed for the construction of the Project. Nothing herein shall be construed to bar either party from seeking enforcement of this Agreement or the terms of the conditional use permit in an appropriate forum.

2. Easement over County Properties. By this Agreement, the County agrees to grant to the Company an easement and right-of-way, 150 feet in width, over and across any and all properties owned by the County along the Project alignment for the purpose of allowing the Company to construct, operate, maintain, repair and replace the transmission line. The form of easement is attached as Exhibit "A" and shall be executed simultaneously herewith. The Company shall pay the County the amount appraised for the easement as determined by Phil Cook, MAI.

3. Fees and Expenses. The County and the Company shall each bear their own respective costs and expenses, including attorneys' fees, incurred in connection with the Litigation, the City Litigation, and this Agreement.

4. General Release by the County.

a. Except as otherwise provided in Paragraph 4.d. below, and conditioned upon the Company's compliance with all of its obligations under this Agreement, the County hereby releases and forever discharges the "*Company Releasees*," consisting of the Company, and, where applicable, its parents, subsidiaries, divisions, affiliates, shareholders, officers, directors, owners, associates, predecessors, successors, heirs, assigns, agents, partners, employees, insurers, representatives, lawyers and all persons acting by, through, under, or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, and any suits, debts, liens, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, known or unknown, fixed or contingent, relating to the Project (hereinafter the "*County Claims*"), that the County, and each of them, now have against the Company Releasees as of the date of execution of this Agreement, by reason of any matter, cause, or thing whatsoever, including, without limitation, any and all County Claims arising out of, based upon, or in any way relating to the Litigation, the City Litigation, or any County Claims raised therein or that could have been raised therein.

b. The County represents and warrants that there has been no assignment or other transfer of any interest in any County Claims which the County may have against the Company Releasees, and agrees to indemnify and hold the Company Releasees harmless from any liabilities, claims, demands, damages, costs, expenses, and attorneys' fees incurred by any of the Company Releasees, as a result of any person claiming under any such assignment or transfer. It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by the Company Releasees against the County under this indemnity.

c. The County agrees that if it hereafter commences, joins in, or in any manner seeks relief through any suit arising out of, based upon, or relating to any of the County Claims released hereunder, or in any manner asserts against the Company Releasees, or any of them, based upon the County Claims released hereunder, then it shall pay to the Company Releasees, in addition to any other damages caused to the Company Releasees thereby, all attorneys' fees and costs incurred by the Company Releasees in defending or otherwise responding to said suit or County Claims.

d. The general release set forth herein shall not extend to or be construed as releasing the Company Releasees, or any of them, from their responsibilities, promises, obligations, covenants, and agreements under or arising out of this Agreement or the conditional use permit or any claims which may arise in the future regarding the construction of the Project.

5. General Release by the Company.

a. Except as otherwise provided in Paragraph 5.d. below, and conditional upon the County's compliance with all of its obligations under this Agreement, the Company hereby releases and forever discharges the "*County Releasees*," consisting of County, and, where applicable, each of its divisions, affiliates, officers, directors, predecessors, successors, heirs, assigns, agents, partners, employees, insurers, representatives, lawyers and all persons acting by, through, under, or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, and any suits, debts, liens, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, known or unknown, fixed or contingent, relating to the Project (hereinafter the "*Company Claims*"), that the Company, now has against the County Releasees as of the date of execution of this Agreement, by reason of any matter, cause, or thing whatsoever, including, without limitation, any and all Company Claims arising out of, based upon, or in any way relating to the Litigation, the City Litigation, or any Company Claims raised therein or that could have been raised therein.

b. The Company represents and warrants that there has been no assignment or other transfer of any interest in any Company Claims which the Company may have against the County Releasees, and agrees to indemnify and hold the County Releasees harmless from any liabilities, claims, demands, damages, costs, expenses, and attorneys' fees incurred by any of the County Releasees, as a result of any person claiming under any such assignment or transfer. It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by the County Releasees against the Company under this indemnity.

c. The Company agrees that if it hereafter commences, joins in, or in any manner seeks relief through any suit arising out of, based upon, or relating to any of the Company Claims released hereunder, or in any manner asserts against the County Releasees, or any of them, any of the Company Claims released hereunder, then they shall pay to the County Releasees, and each of them, in addition to any other damages caused to the County Releasees thereby, all attorneys' fees and costs incurred by the County Releasees in defending or otherwise responding to said suit or Company Claim.

d. The general release set forth herein shall not extend to or be construed as releasing the County Releasees, or any of them, from their responsibilities, promises, obligations, covenants, and agreements under or arising out of this Agreement or the conditional use permit or any claims which may arise in the future regarding the construction of the Project.

6. Severability. In the event that any provision in or obligation under this Agreement shall be invalid, illegal, or unenforceable in any jurisdiction against the County and/or the Company, the validity, legality, or enforceability of other provisions in or obligations under this Agreement shall not in any way be affected or impaired thereby.

7. Successors and Assigns. This Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

8. Enforcement of Agreement. If any party to this Agreement brings an action or proceeding to enforce its rights hereunder, the prevailing party shall be entitled to recover its costs and expenses, including court costs and attorneys' fees, if any, incurred in connection with such action or proceeding, including any court costs or attorneys' fees incurred on appeal.

9. Construction of Agreement. This Agreement shall be construed as a whole in accordance with its fair meaning and in accordance with the laws of the State of Utah. The terms of this Agreement have been negotiated by the parties, and the language of the Agreement shall not be construed in favor of or against any particular party. The headings used herein are for reference only and shall not affect the construction of this Agreement.

10. Entire Agreement. This Agreement represents the sole and entire agreement between the parties and supersedes all prior agreements, negotiations, and discussions between the parties hereto and/or their respective counsel with respect to the subject matter covered hereby.

11. Facsimile Signatures. Facsimile signatures in one or more counterparts of this Agreement shall be binding.

12. Joint Press Release. After this Agreement has been fully executed by both parties and ratified and approved by Tooele County, the Company and Tooele County shall issue a joint press release pertaining to the terms of this Agreement. The timing and content of the press release shall be mutually agreed upon and shall be positive and not disparaging to any of the parties in any manner. The Parties may not divulge any amount paid or that was speculated to have been paid pursuant to this Agreement, except the amount paid for the Skyline Nature Park improvements which may be made public and included in the joint press release. Legal counsel for the Parties shall instruct their principals, including but not limited to Company executives and Tooele County Commissioners that neither Party shall speculate publicly regarding any cost to the Company or the County required for the performance of this Agreement.

13. Amendment to Agreement. Any amendment to this Agreement must be in a writing signed by duly authorized representatives of the parties hereto and stating the intent of the parties to amend this Agreement.

14. Construction of Agreement. This Agreement is the result of arms-length negotiations between two sophisticated parties and any ambiguities or uncertainties will not be construed for or against either Party, but will be construed in a manner that most accurately reflects the intent of the Parties when this Agreement was executed.

15. Effective Date. The Parties intend to execute this Agreement January 14, 2011 and shall be effective upon: 1) execution by both Parties; 2) ratification and approval by the Tooele County Commission; and 3) execution and ratification of a settlement agreement between Rocky Mountain Power and Tooele City.

[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as provided in paragraph 15 above.

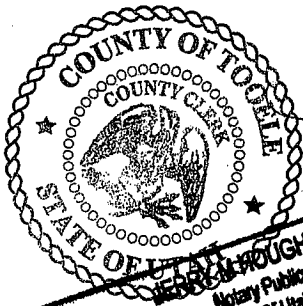
Dated: 14 Jan 2011

TOOELE COUNTY, a political subdivision of the State of Utah

Colleen S. Johnson

By: COLLEEN S. JOHNSON

Its: COMMISSION CHAIR

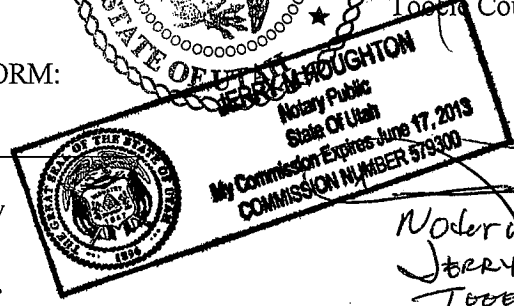


ATTEST:

Marilyn K. Gillette
Tooele County Recorder Clerk

APPROVED AS TO FORM:

Doug Hogan
Tooele County Attorney



Jerry M. Houghton
Notary Public
TOOELE COUNTY RECORDER

Dated: 1/14/11

ROCKY MOUNTAIN POWER,
a division of PacifiCorp

Mark C. Moench

By: Mark C. Moench

Its: Senior Vice President and General Counsel

When recorded return to:
Rocky Mountain Power
Lisa Louder
1407 West North Temple Ste. 110
Salt Lake City, UT 84116

Project Name: Mona-Oquirrh Transmission Line
Tract Number: _____
WO#: 10036561
RW#: 20090140

RIGHT OF WAY AND EASEMENT GRANT

Tooele County, a body politic, whose address is 90 North Main Street ("Grantor") for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby conveys and warrants to PacifiCorp, an Oregon corporation, d/b/a Rocky Mountain Power, its successors and assigns, whose address is 1407 West North Temple, Salt Lake City, Utah 84116 ("Grantee") a perpetual easement and right of way ("Easement") over and across two certain parcels of real property owned by Grantor (collectively "Grantor's Land") located in Tooele County, State of Utah. Grantor's Land is more particularly described in Exhibit "A", the legal description of the Easement referred to herein as the "Easement Area," is more particularly described on Exhibit "B" and shown on the drawings attached as Exhibits "B-1" and "B-2". The access locations used in connection with Grantee's use of this easement are described on Exhibit "C" and shown on the drawings attached as Exhibits C-1 and C-2. All of the foregoing exhibits are incorporated herein by reference.

1. Easement Grant. The purpose of this Easement is to allow Grantee to construct, reconstruct, operate, maintain, relocate, enlarge, alter, and remove electric power lines, communication lines, and related equipment, including supporting towers and poles, guy anchors, conductors, wires, cables and other lines, and all other necessary or desirable equipment, accessories and appurtenances thereto on, over, or under the Easement Area.

2. Access. Grantee shall have a right of access along and within the described Easement Area, and the right of access to the Easement Area over and across Grantor's Land as described on Exhibit "C." The foregoing right of access is intended to run with and encumber Grantor's Land unless expressly released in writing by Grantee.

3. Grantor's Use of the Easement Area. Grantor may use the Easement Area for any purpose that is not inconsistent with the purposes for which this Easement is granted, provided that, Grantor expressly agrees that within the Easement Area, Grantor

will not: a) construct any building or structure of any kind or nature; b) excavate closer than fifty feet (50') from any pole or structure; c) excavate anywhere in the Easement Area in a manner that undermines or removes lateral support from any pole or structure, or that prevents or impairs Grantee's access to any pole or structure; d) place or use anything, including using equipment or vehicles that exceeds twelve feet (12') in height; e) increase the existing ground elevation; f) light any fires or store flammable or hazardous materials; or g) otherwise use the Easement Area in any manner that violates the National Electric Safety Code or Grantee's safety clearance standards, as may be amended from time to time. Except as provided herein, Grantor may use the Easement Area for any other purpose.

4. Vegetation Management. Grantor may not plant any species of trees or other vegetation within the Easement Area that will grow to a height greater than twelve feet (12') or outside of the Easement Area that will grow within twenty-five feet (25') of the transmission line conductor. Grantee shall have the right to prune vegetation in order to maintain compliance with the National Electric Safety Code and all other codes, standards, and regulations governing the safe operation and use of transmission lines or, in Grantee's reasonable opinion may interfere with or causing a threat of harm to the power line.

5. Miscellaneous Provisions.

5.1 Authority. The individual(s) executing this document represents and warrants that he/she is has the legal authority to convey the Easement described herein

5.2 Amendments. This Easement may be amended only by recording, in the office of the county recorder, an instrument in writing reciting the terms of the amendment and bearing the signatures of all parties hereto, or their heirs, successors, and assigns.

5.3 No Waiver. The failure to enforce or perform any provision set forth in this Easement shall not be deemed a waiver of any such right.

5.4 Successors and Assigns. All rights and obligations contained herein or implied by law are intended to be covenants running with the land and shall attach, bind and inure to the benefit of Grantor and Grantee and their respective heirs, successors, and assigns.

DATED this 14 day of January, 2011.

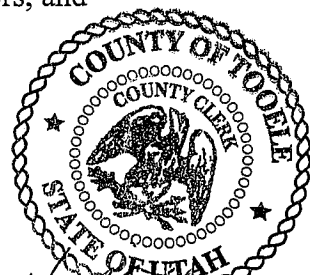
TOOELE COUNTY

By: Colleen S. Johnson

Its: Commission Chair

ATTEST:

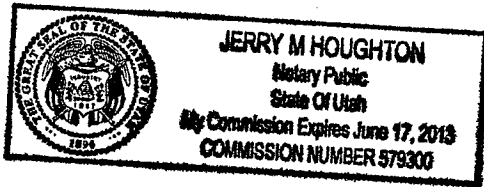
Marilyn K. Gillette
MARILYN K. GILLETTE
TOOELE COUNTY CLERK

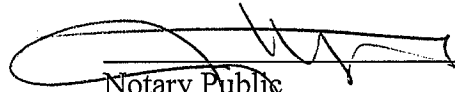


REPRESENTATIVE ACKNOWLEDGEMENT

State of Utah
County of Tooele } SS.

This instrument was acknowledged before me on this 14 day of JAN,
~~2010~~²⁰¹¹, by COLLEEN S JOHNSON, as COMMISSION CHAIR,
of Tooele County, a body politic




Notary Public

My commission expires: 6-17-13

Exhibit A
(Grantor's land)

Tax ID No. 06-006-0-0005

Beginning at the Northeast corner of Lot 1, Section 4, Township 4 South, Range 4 West, Salt Lake Base and Meridian, and running thence West 825 feet; thence South 880 feet; thence West 495 feet; thence South 185.90 feet more or less to the Southwest corner of Lot 1; thence East 1320 feet; thence north 102.80 feet to the point of beginning.

Less and Excepting therefrom the following described property:

Beginning at a point West 587.40 feet from the Northeast corner of Lot 1, Section 4, Township 4 South, Range 4 West, Salt Lake Base and Meridian, and running thence South 458.4 feet; thence West 237.6 feet; thence North 458.4 feet; thence East 237.6 feet to the point of beginning.

Tax ID No. 06-006-0-0011

That portion of Section 39 lying within Section 3, Township 4 South, Range 4 West, Tooele County, Utah

LESS & EXCEPT the following tract of land:

Beginning at a point East 330.00 feet, more or less, from the Northwest corner of Section 3, Township 4 South, Range 4 West, Salt Lake Base and Meridian; and running thence East along the Township line 660.00 feet; thence South 600.00 feet; thence West 198.00 feet, more or less, to the East line of Special Section 39; thence Northwesterly along said line 765.00 feet, more or less, to beginning.

Exhibit B
(Easement Area)

Grantor:

Tooele County, a municipal corporation

Tax ID Nos. 06-006-0-0005 and 06-006-0-0011

DESCRIPTION

An easement 150 feet in width, being a portion of Section 39 within Section 3 and a portion of Lot 1 in Section 4, Township 4 South, Range 4 West, Salt Lake Base and Meridian, Tooele County, Utah, according to the official survey approved May 21, 1899, said easement being 75 feet on each side of a centerline described as follows:

Commencing at the Northwest corner of said Section 4, thence South 62°35'34" East for a distance of 1586.78 feet, more or less, to a point on said centerline having coordinates of N 7354154.5998, E 1415960.1926 (Utah Coordinate System of 1983 (NSRS2007), Central Zone), thence South 72°25'15" East along said centerline for a distance of 2538.39 feet, more or less, to a point on the west line of said Lot 1, said west line being also the west line of the Grantor's land, said point being the POINT OF BEGINNING:

Thence continue South 72°25'15" East along said centerline for a distance of 150.06 feet, more or less, to a point on the south line of said Lot 1, said south line being also the south line of the Grantor's land, said point being herein designated "Point A".

Containing 0.6 acres, more or less (ground level)

Right of way lines are to be shortened or extended to terminate on the west and the south lines of said Grantor's land.

Bearings and distances are expressed in terms of the Utah Coordinate System 1983 Central Zone. Distances are expressed in U. S. Survey Feet. To convert the stated grid distances to ground distances, multiply the stated grid distance by a Combined Adjustment Factor of 1.000290239.

ALSO:

Commencing at said Point A, thence South 72°25'15" East along said centerline for a distance of 1897.51 feet, more or less, to a point having coordinates of N 7352769.5230, E 1420331.9870 (Utah Coordinate System of 1983 (NSRS2007)),

Exhibit B
(continued)
(Easement Area)

Central Zone), thence South 84°44'19" East along said centerline for a distance of 21.76 feet, more or less, to a point on the west line of said Section 39, said west line being also the west line of the Grantor's land, said point being the POINT OF BEGINNING:

Thence continue South 84°44'19" East along said centerline for a distance of 895.81 feet, more or less, to a point on the east line of said Section 39, said east line being also the east line of the Grantor's land.

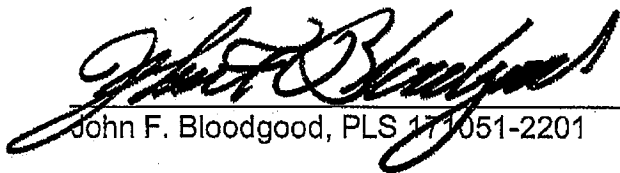
Containing 3.1 acres, more or less (ground level)

Right of way lines are to be shortened or extended to terminate on said west and east lines of the Grantor's land.

Bearings and distances are expressed in terms of the Utah Coordinate System 1983 Central Zone. Distances are expressed in U. S. Survey Feet. To convert the stated grid distances to ground distances, multiply the stated grid distance by a Combined Adjustment Factor of 1.000312399.

All as shown on Exhibit B-1 and Exhibit B-2 attached hereto and made a part hereof.

Prepared by:



John F. Bloodgood, PLS 171051-2201

Date: December 17, 2010

Exhibit B-1
(Easement Area Drawing)

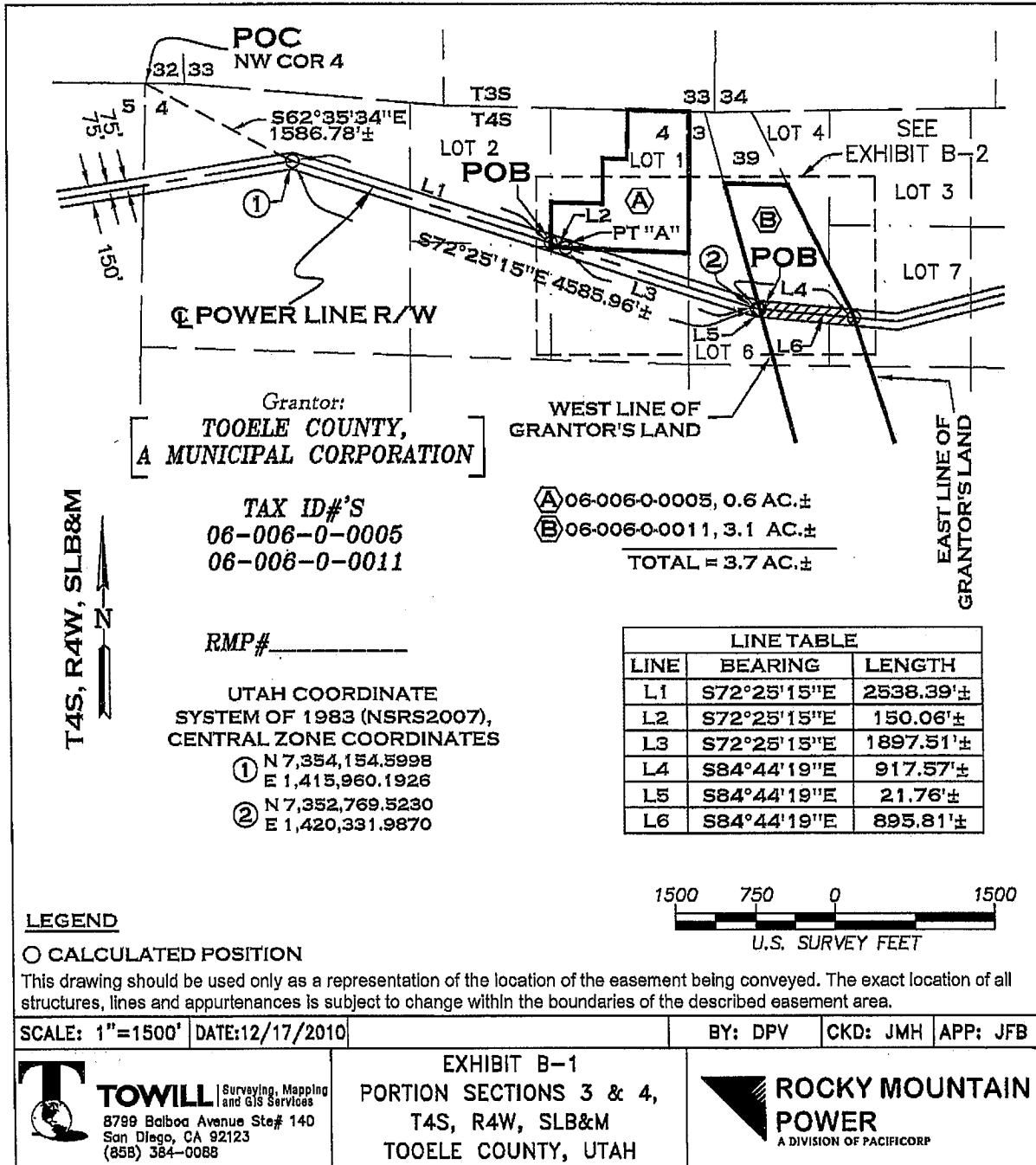


Exhibit B-2
(Easement Area Drawing)

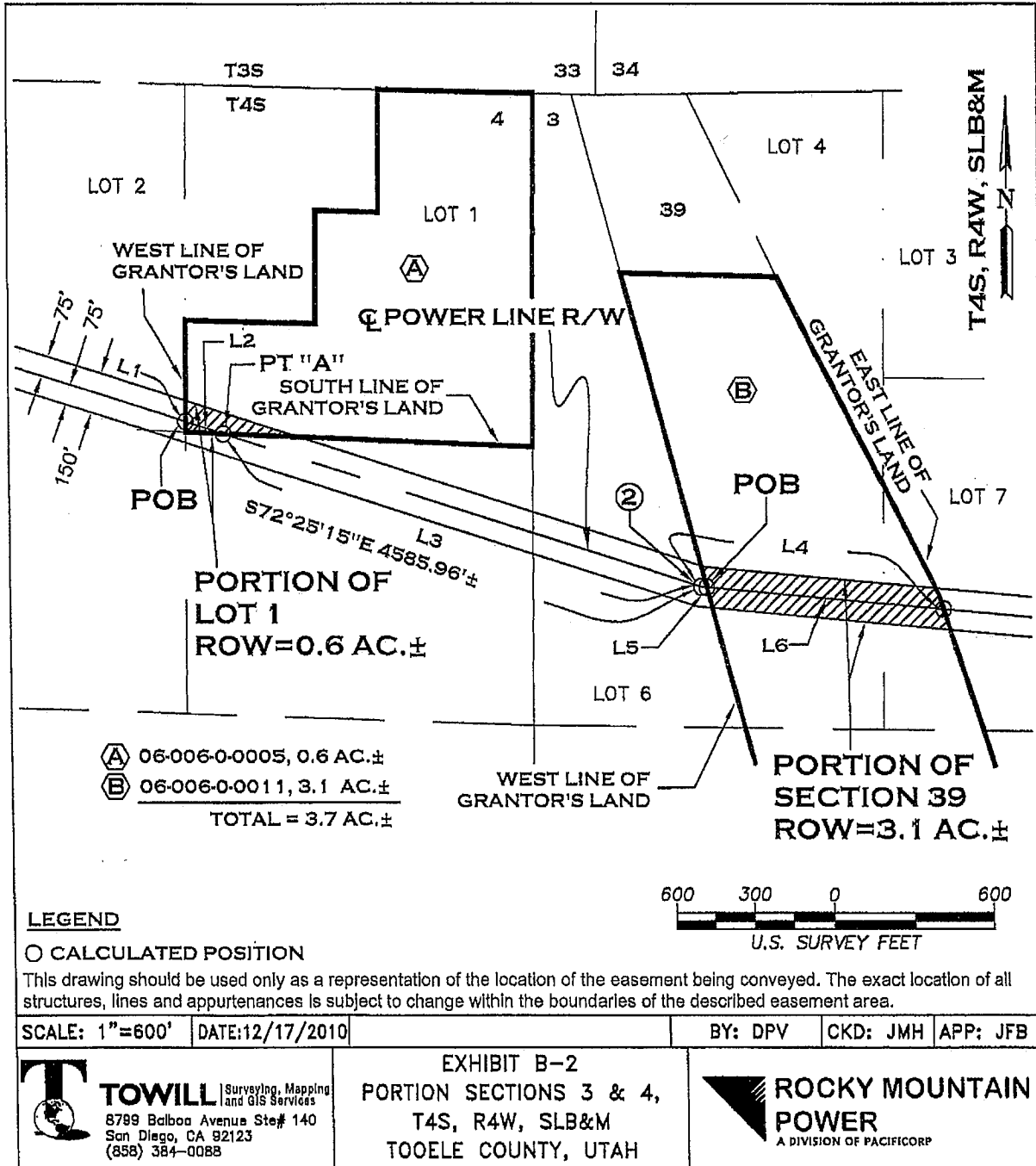


Exhibit C
(Access to easement area)

Grantor:

Tooele County, a municipal corporation

Tax ID No. 06-006-0-0011

DESCRIPTION

An easement 50 feet in width, being a portion of Section 39 within Section 3, Township 4 South, Range 4 West, Salt Lake Base and Meridian, Tooele County, Utah, according to the official survey approved May 21, 1899, said easement being 25 feet on each side of a centerline described as follows:

Commencing at the Northwest corner of Section 4 of said Township 4 South, Range 4 West, thence South 62°35'34" East for a distance of 1586.78 feet, more or less, to a point on the centerline of the easement area described in the attached Exhibit B ("Centerline of the Transmission Corridor"), having coordinates of N 7354154.5998, E 1415960.1926 (Utah Coordinate System of 1983 (NSRS2007), Central Zone), thence South 72°25'15" East along said Centerline of the Transmission Corridor for a distance of 4585.96 feet, more or less, to a point having coordinates of N 7352769.5230, E 1420331.9870 (Utah Coordinate System of 1983 (NSRS2007), thence leaving said Centerline of the Transmission Corridor, South 55°53'17" East for a distance of 1324.85 feet, more or less, to a point on the centerline of the existing public road known as Settlement Canyon Road, said point being the POINT OF BEGINNING:

Thence along said easement centerline the following seven (7) courses:

- (1) South 60°26'32" West, 341.21 feet;
- (2) North 76°09'21" West, 80.43 feet;
- (3) North 43°07'48" West, 347.14 feet;
- (4) North 32°02'21" West, 289.50 feet;
- (5) North 55°08'03" West, 60.53 feet;
- (6) North 79°59'40" West, 68.60 feet, and
- (7) South 73°29'02" West, 94.82 feet, more or less, to a point on the west line of said Section 39, said west line being also the west line of the Grantor's land.

Containing 1.5 acres, more or less (ground level)

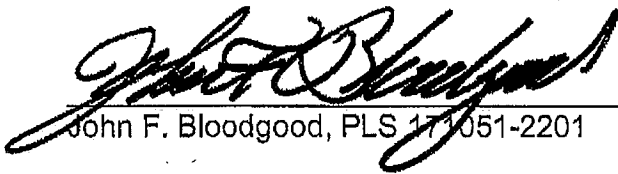
Right of way lines are to be shortened or extended to terminate on said centerline of Settlement Canyon Road and on said west line of the Grantor's land.

Exhibit C
(Access to easement area)
(continued)

Bearings and distances are expressed in terms of the Utah Coordinate System 1983 Central Zone. Distances are expressed in U. S. Survey Feet. To convert the stated grid distances to ground distances, multiply the stated grid distance by a Combined Adjustment Factor of 1.000312399.

All as shown on Exhibit C-1 and Exhibit C-2 attached hereto and made a part hereof.

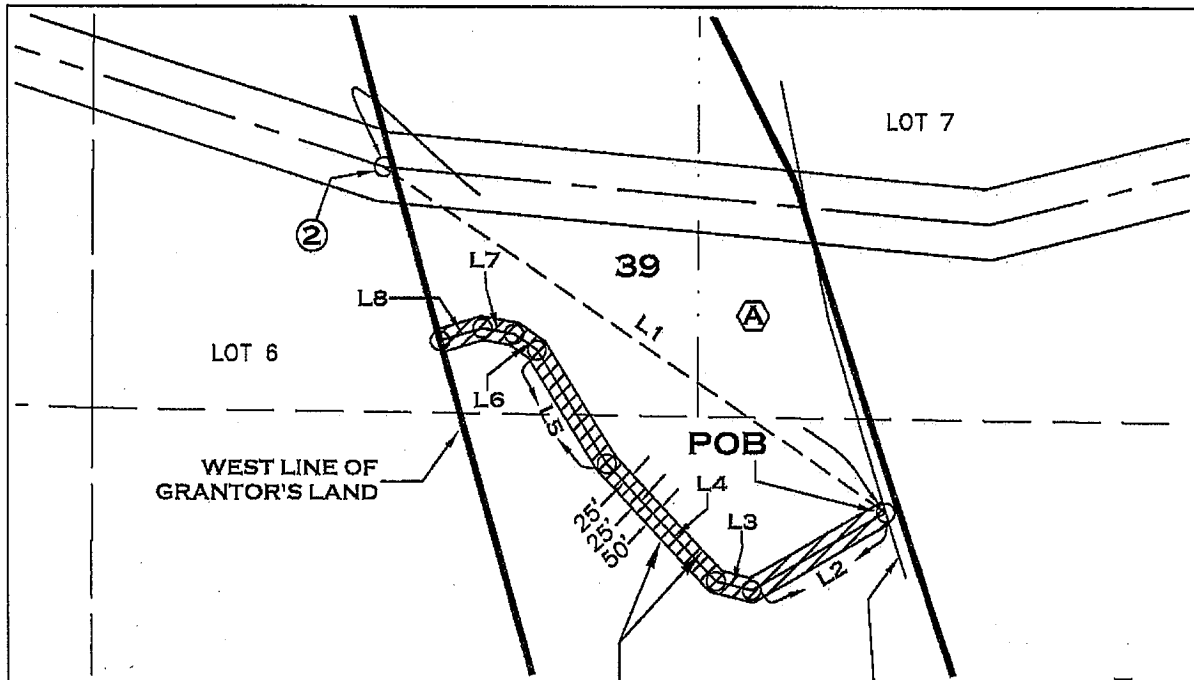
Prepared by:



John F. Bloodgood, PLS 171051-2201

Date: December 17, 2010

Exhibit C-2
(Easement Area Drawing)



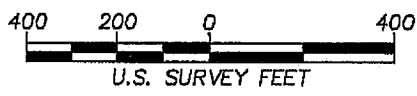
LINE TABLE		
LINE	BEARING	LENGTH
L1	S55°53'17"E	1324.85'±
L2	S60°26'32"W	341.21'
L3	N76°09'21"W	80.43'
L4	N43°07'48"W	347.14'
L5	N32°02'21"W	289.50'
L6	N55°08'03"W	60.53'
L7	N79°59'40"W	68.60'
L8	S73°29'02"W	94.82'±

PORTION OF SECTION 39
ROW = 1.5 AC.±

CENTERLINE SETTLEMENT CANYON ROAD
(EXISTING PUBLIC ROAD)

① 06-006-0-0011, 1.5 AC.±

T4S, R4W, SLB&M



LEGEND

○ CALCULATED POSITION

This drawing should be used only as a representation of the location of the easement being conveyed. The exact location of all structures, lines and appurtenances is subject to change within the boundaries of the described easement area.

SCALE: 1"=400' DATE:12/17/2010 BY: DPV CKD: JMH APP: JFB

TOWILL Surveying, Mapping and GIS Services
8799 Balboa Avenue Ste# 140
San Diego, CA 92123
(858) 384-0088

EXHIBIT C-2
PORTION SECTION 3
T4S, R4W, SLB&M
TOOELE COUNTY, UTAH

ROCKY MOUNTAIN POWER
A DIVISION OF PACIFICORP