

By _____ Deputy

SUBJECT TO easements, covenants, conditions, restrictions and reservations of record, matters pertaining to water and water rights, and future assessment by the Irrigation District.

ALSO SUBJECT to the terms, covenants and conditions of the Option Agreement of the parties which shall not merge in this Deed, but shall survive the closing of sale and shall be binding upon the parties to the Agreement, their heirs, administrators, successors and assigns and they expressly agree that the following terms, covenants and conditions of their agreement shall run with the land and be binding upon the Grantee herein and all other persons and parties claiming through the Grantee herein and a limitation upon all future owners of said land and premises:

PROPERTY CONDITION:

a. "As-Is". Except as specifically provided in this Agreement, Buyer has agreed to purchase the subject premises "AS IS, WHERE IS", and with all faults, and Seller disclaims any warranty, express or implied, with respect to Hazardous Substances and/or Hazardous Wastes as defined herein, the condition, grade, suitability, accuracy or physical condition of the premises or tangible personal property, including without limitation, any implied warranties that the premises are merchantable or fit for any particular purpose. By exercise of the Option, Buyer has fully satisfied itself that the condition of the property is suitable for Buyer's intended use. Buyer has personally observed the property and has reached Buyer's own conclusion as to the adequacy and acceptability of the property based upon such personal inspection. Unless otherwise expressly specified herein, square footage, dimensions, and/or boundaries used in marketing the property are understood to be approximations and are not intended to be relied upon to determine the fitness or value of the property.

b. Seller Representations. Seller agrees to maintain the property in its present condition until the time Buyer is entitled to possession. Any activity of Seller on the subject premises prior to closing shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances. Additionally, Seller represents and warrants to Buyer that to the best of Seller's knowledge and belief: (a) except for the lawful use and storage of petroleum products, lawful generation and storage of automotive wastes, and the lawful storage and use of such products as are necessary and incidental to Seller's business, during the period of Seller's use or occupancy of the property there was no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by Seller or any agent of Seller on, under, or about the subject premises. The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Agreement shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules or regulations adopted pursuant to any of the foregoing.

c. Inspections. Seller authorizes Buyer and its agents to enter upon the premises to conduct any reasonable or necessary inspections including Phase I and Phase II Environmental Assessments of the property, at Buyer's expense, as buyer may deem appropriate to determine acceptability to the Buyer of the Property including compliance with all applicable federal, state, and local laws, regulations, and ordinances. Copies of such reports shall be provided to Seller immediately on receipt.

Any inspections or tests made by Buyer shall be for buyer's purposes only and shall not be construed to create any responsibility or liability on the part of (a) Buyer to Seller or to any other person, or (b) Seller to Buyer or to any other person. Buyer shall indemnify Seller from any damage or loss related to or arising from any inspections or testing on the property. Buyer shall repair any damage and shall not cause any lien to attach to the property prior to closing.

In the event Buyer exercises the Option to Purchase and this transaction fails

to close due to the fault of the Seller, Seller agrees to reimburse Buyer for one-quarter (1/4) of the costs incurred by Buyer for the Phase I and Phase II Environmental Assessment Reports.

d. Buyer's Written Rejection. This Agreement is conditioned on acceptance of the condition of the property by Buyer after diligent inspection of the property including receipt of a Phase I Environmental Assessment or Phase II Environmental Assessment if one is conducted for each of the subject premises to be performed by DE MINIMUS, INC., Portland, Oregon at Buyer's request and expense. Environmental Assessment reports shall be provided to Seller within thirty (30) days of the date of mutual acceptance of this Agreement. If the Buyer provides appropriate notice as provided above that the property is not acceptable, then the Agreement shall be of no further force and effect and the earnest money shall be refunded to the Buyer. If Buyer accepts the condition of the property Buyer may exercise the Option as herein provided and proceed to closing upon the terms and conditions of this Agreement, if not the Option shall terminate as above provided.

e. ARCO Contamination. Seller and Buyer acknowledge that there is pre-existing contamination at the Corvallis Center which was caused by ARCO prior to Seller's use or ownership of the Corvallis Center. The Seller and the Buyer agree to the following arrangement for potential future environmental liability with respect to the Centers which are the subject of this Agreement. For the purposes of this paragraph, "actionable contamination" shall mean a level of contamination which triggers mandatory action by the state or federal government under either Oregon or federal law.

In the event that (a) actionable contamination is found at the Corvallis facility and (b) the actionable contamination is proven to have been caused by ARCO during its operation of the former ARCO Bulk Terminal Facility and (c) ARCO does not cleanup or pay the cost of cleanup of such contamination, Seller and Buyer agree that no agreement is made to alter their liability as provided by law.

In the event that a third party brings an action against Buyer and/or Seller, individually or as a group, for damages relating to the contamination caused by ARCO during its operation of the former ARCO Bulk Terminal Facility, Seller and Buyer agree that no agreement is made to alter their liability as provided by law.

f. Seller Indemnifies Buyer. In the event that after closing (a) actionable contamination is found at a facility which is the subject of this agreement and (b) the actionable contamination is proven to have been caused by Seller's operations, Seller agrees to indemnify Buyer for reasonable cleanup costs incurred in response to the actionable

contamination. Seller and Buyer agree that Seller shall not indemnify Buyer for any other contamination, defects, conditions or circumstances which may exist at the facilities.

g. Buyer Releases Seller. In all other situations Buyer hereby (a) releases and waives any future claims against Seller for indemnity or contribution in the event Buyer becomes liable for cleanup or other costs under any federal, state, and local laws, regulations or ordinances, and (b) agrees to hold harmless Seller against any and all claims, losses, liabilities, penalties, and expenses which Buyer may directly or indirectly sustain or suffer resulting from or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release whether or not occurring prior to Buyer's use, occupancy, ownership or interest in the Subject Premises.

STATE OF OREGON: COUNTY OF KLAMATH : ss.

Filed for record at request of _____ Klamath County Title _____ the 2nd _____ day
of July _____ A.D., 19 97 at 11:18 o'clock _____ A.M., and duly recorded in Vol. M97
of _____ Deeds _____ on Page 20574.

FEE \$40.00

By _____ Bernetha G. Letsch, County Clerk