PROSPECTIVE PURCHASER AGREEMENT

DEQ No. 06-08

BETWEEN:  Oregon Department of Environmental Quality; and

AND:      Baseline Station, LLC

This Agreement is entered between the Oregon Department of Environmental Quality (DEQ) and Baseline Station, LLC (Baseline Station) pursuant to ORS 465.260 and 465.327. This Agreement contains the following provisions:

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1. **RECITALS**

A. The subject property (Property) is an approximately 8.81 acre parcel located on the northwestern corner of the intersection of SW Murray Boulevard and SW Millikan Way (Property) in Beaverton, Oregon. The legal description of the Property is attached hereto as Attachment A. A vicinity map is attached hereto as Attachment B and a diagram of the Property is attached as Attachment C.

B. The Property was formerly associated with the Tektronix, Inc. Beaverton campus. In 1957, Tektronix, Inc. ("Tektronix") acquired approximately 300 acres in Washington County, Oregon, including the Property, and developed a complex to manufacture, engineer, develop and assemble electronic measurement, display, and control equipment. Various chemicals were used in historical site operations and significant volumes of wastes and process water were generated.

C. On January 3, 2002, Tektronix entered into an Order on Consent (DEQ NO. ECSR-NWR-01-13) with the Oregon Department of Environmental Quality (DEQ) under which Tektronix is required to conduct a remedial investigation, risk assessment and feasibility study for the Tektronix site, including the Property. As a condition of the Hazardous Waste Post-Closure Permit, issued by DEQ on June 27, 2006, Tektronix retains full responsibility for contamination associated with their past practices on the Tektronix facility, including for parcels that have been sold, such as the Property. Parcels that have been determined by DEQ to be clean have been removed from the Tektronix facility.

D. Beaverton Creek flows to the southwest through the Property, dividing the property into two discrete sections. The section of the Property south of Beaverton Creek was used by Tektronix for sludge and land application and disposal of construction-related excavation material from 1967 to 1983. The section of the Property north of Beaverton Creek has not been associated with waste disposal or any other facility-related activity or use, and has not been impacted by historical disposal activities.
E. Tektronix has conducted remedial investigations of their facility, including the Property, since the 1980s. Those investigations determined that soil at the Property was contaminated with low concentrations of metals and volatile organic chemicals, and that groundwater at the Property was contaminated with volatile organic chemicals, mainly trichloroethene and its breakdown products. Tektronix completed a remedial investigation and risk assessment for the Property in 2003.

F. A groundwater extraction and treatment Interim Remedial Action Measure (IRAM) was implemented at the Property in 1989 to address groundwater contamination. In 1996, DEQ approved a modification of the groundwater extraction IRAM to monitored natural attenuation. The effectiveness of the monitored natural attenuation IRAM will be evaluated in the feasibility study to be conducted by Tektronix in 2006.

G. On August 26, 2003, DEQ issued a letter of No Further Action (NFA) for soil and shallow groundwater at the Property. However, the NFA did not apply to potential threats to ecological and human receptors in Beaverton Creek due to contamination that may exist within the creek, to deeper groundwater beneath the Property, or to discharge of contaminated site groundwater to Beaverton Creek. These concerns for the Property will be addressed by Tektronix under its Consent Order with DEQ.

H. Tektronix sold the Property to the current owner, C.E. John Company, Inc. in August 1999.

I. The contaminants at the Property, including metals and volatile organic chemicals, are “hazardous substances” within the meaning of ORS 465.200(16). The presence of hazardous substances at the Property constitutes a “release” of hazardous substances within the meaning of ORS 465.200(22), and makes the Property a “facility” within the meaning of ORS 465.200(13). Removal or remedial action is necessary at the Property to protect human health or the environment.
The Property has been vacant and unused for 23 years. Upon purchase of the Property, Baseline Station will return the Property to productive use. Baseline Station intends to construct commercial retail buildings for lease on the Property, which will create numerous jobs and contribute to the economy of the community. In addition, if possible, Baseline Station would like to gift or dedicate a portion of the Property to the city of Beaverton, and assist in developing the Property for a public park or other public purposes. Wetlands have been identified on the Property. The current owner maintains a 50-ft buffer from the mapped sensitive wetland areas along the entire Beaverton Creek development frontage in compliance with Clean Water Services criteria. Baseline will continue to maintain that buffer as long as the wetland area is in Baseline’s ownership. DEQ has determined that a "substantial public benefit" will result from this Agreement, within the meaning of ORS 465.327(1)(d).

DEQ has determined that the proposed development activities at the Property will not contribute to or exacerbate existing contamination, increase health risks, or interfere with remedial measures that may be necessary at the Property.

In determining to enter into this Agreement, DEQ has considered reasonably anticipated future land uses at the Property and surrounding properties.

Baseline Station recognizes that implementation of remedial measures at the Property in the future might interfere with Baseline Station’s use of the Property.
2. **MEASURES TO BE UNDERTAKEN**

   A. Baseline Station agrees to perform the measures described in 2.B. through 2.K. at its own expense.

   B. Within three years of the effective date of this Agreement, Baseline Station shall begin redevelopment of the Property to return a vacant and unused site to productive use.

   C. Baseline Station will prepare a Soils Management Plan for DEQ review and approval prior to Property development to address materials handling and health and safety concerns for the contaminated soils that may be encountered during construction.

   D. Baseline Station will grant access to Textronix to conduct any additional investigation or removal or remedial actions the may be necessary at the Property.

   Baseline Station has developed an Access Agreement with Tektronix so that Tektronix may maintain access to the Property for the purposes of deep groundwater monitoring and investigation and/or remediation of the surface waters and sediments of Beaverton Creek (per Tektronix’s Consent Order No. ECSR-NWR-01-13).

   E. Even though the Property has been investigated to the satisfaction of DEQ for the purpose of site development, and Tektronix has received a NFA for soil and shallow groundwater on the Property, during site planning and development Baseline Station will consider the past use of the Property and use an appropriate level of care with respect to future planned use. If further evidence of contamination (e.g., staining or unusual odors) is detected during grading or excavation in any area of the Property, Baseline Station will assess the need for further investigation or removal or remedial action, if necessary, to
protect human health and the environment including the appropriate handling of any impacted media.

F. Any development, construction, or other use of the Property must be consistent with and must not interfere with investigative or remedial activities at the Property. To ensure such consistency and prevent exacerbation of existing contamination (if any) at or from the Property, Baseline Station must notify DEQ before commencing construction of each phase of site development. At DEQ’s request, Baseline Station must submit for DEQ review and approval, development, use, and building plans, or other similar and adequate documentation, for the proposed activities before any material changes or disturbances occur to any area of the Property. Baseline Station shall require all tenants, employees, authorized and regular users, and other occupants of the Property to comply with the provisions of this Agreement.

G. If any underground storage tanks, drums containing free liquid or soil containing obvious contamination (e.g., oily soil and soil with an unnatural color or odor) are encountered during ground-disturbing activities on the Property, Baseline Station shall notify DEQ and such activities shall continue only under appropriate health and safety protocols. To the extent such materials are excavated, they must be characterized and managed, in compliance with applicable environmental statutes and regulations, at a landfill or other disposal facility permitted to accept such material, unless otherwise approved by DEQ.

H. Prior to any activities likely to cause contact with contaminated soil or contaminated groundwater (if any at the Property), and in accordance, with existing state
and federal regulations, Baseline Station will notify occupants of the facility, site workers, and demolition, construction, remediation, and landscape workers, as appropriate, of the presence of soil and groundwater contamination at the Property. Hazard Notification will be performed in accordance with applicable state and federal Occupational Safety and Health Administration (OSHA) regulations so that appropriate health and safety plans can be developed and implemented, if necessary.

I. Baseline Station shall not extract through wells or by other means or use the groundwater at the Property for consumption or other beneficial use, until the groundwater has been adequately characterized and determined to be safe for use. This prohibition shall not apply to extraction of groundwater associated with groundwater monitoring activities or to temporary dewatering activities related to construction, development, or the installation of sewer or utilities at the Property. Any extraction for temporary construction dewatering purposes must be addressed in the soil management plan. Baseline shall record and abide by any use restrictions DEQ determines are necessary at Property, which restrictions, pursuant to ORS 465.327(5), shall run with the land. DEQ shall impose such restrictions only as necessary to protect human health and the environment.

J. Baseline Station will comply with substantive requirements of all applicable federal, state and local laws and regulations. Baseline Station shall obtain all necessary permits for the activities described in this Agreement.

K. Nothing in this Agreement obligates DEQ or the state of Oregon or any of its commissions, agencies, officers or employees to conduct or pay for any actions related to releases at or from the Property.
3. GENERAL PROVISIONS

A. DEQ Oversight

DEQ shall provide review, approval/disapproval, and oversight for implementation of this Agreement. Where DEQ approval is required for any plan or activity under this Agreement, Baseline Station shall not proceed to implement the plan or activity until DEQ approval is received. DEQ will make good faith efforts to conduct plan and activity review promptly so that any proposed development activities are not unduly delayed.

B. DEQ Access

(1) Baseline Station grants an irrevocable right of entry to DEQ and its authorized representatives to enter and move freely about the Property at all reasonable times for purposes of overseeing implementation of this Agreement, or conducting removal or remedial measures as DEQ deems necessary.

(2) Baseline Station shall allow DEQ to inspect and copy all records in Baseline Station’s possession or control relating to measures undertaken at the Property under this Agreement. Baseline Station shall preserve all such records for six (6) years after the effective date of this Agreement, and, after such six-year period, shall provide DEQ with sixty (60) days notice before destruction or other disposal of such records and make the records available for inspection and copying.

(3) Baseline Station may assert a claim of confidentiality regarding any records submitted to or copied by DEQ pursuant to this Agreement. DEQ shall treat documents and records for which a claim of confidentiality has been made in accordance with ORS 192.410 to 192.505. If Baseline Station does not make a claim of confidentiality at
the time the records are first submitted to or copied by DEQ, the records may be made available to the public without notice to Baseline Station. DEQ reserves any rights to obtain documents withheld from DEQ as privileged.

C. Use Restrictions

If previously unknown contamination is discovered at the Property, DEQ may impose additional use restrictions and institutional controls on the Property, in addition to those described in this Agreement, as necessary to protect human health and the environment. Such restrictions would be imposed only as necessary to prevent exposure to contaminated soil, surface water, vapors or groundwater, or to prevent exacerbation of existing contamination.

D. Notice

All reports, notices, and other communications required under or relating to this Agreement shall be directed to:

For DEQ:
DEQ Contact name
Oregon DEQ
Address
Tel: (541) 686-
Fax: (541)686-
Email:

For Baseline Station:
Scott Elliott
Baseline Station, LLC
5440 SW Westgate Drive, Suite 130
Portland, OR 97221
Tel: (503) 292-7733
Fax: (503) 292-7766
Email: Scott@edgedevelop.com

E. DEQ Costs

(1) Baseline Station will pay costs incurred by DEQ to prepare and negotiate this Agreement and related documents, and costs incurred after the effective date of this
Agreement by DEQ in connection with the oversight of Baseline Station’s implementation of this Agreement.

(2) DEQ oversight costs payable by Baseline Station shall include both direct and indirect costs. Direct costs include site-specific expenses, DEQ contractor costs, and DEQ legal costs. Indirect costs include general management, support, and program development costs of DEQ and the Land Quality Division allocable to DEQ oversight of this Agreement and not charged as direct site-specific costs. Indirect costs are based on a percentage of direct personal service costs.

(3) Within thirty (30) days of receipt of a monthly statement, Baseline shall pay the amount of costs billed by check made payable to the "State of Oregon, Hazardous Substance Remedial Action Fund." Baseline shall pay simple interest of 9% per annum on the unpaid balance of any oversight costs, which interest shall begin to accrue at the end of the 30-day payment period, unless dispute resolution has been invoked.

F. Dispute Resolution

In the event of any disagreement between DEQ and Baseline Station regarding implementation of this Agreement, including but not limited to review and approval of a plan or activity or DEQ costs, DEQ and Baseline Station shall, in the following order:

(1) Make a good faith effort to resolve the dispute between project managers;

(2) If necessary, refer the dispute for resolution by the immediate supervisors of the project managers; and

(3) If necessary, provide to each other their respective positions in writing and refer the dispute for resolution to DEQ's Administrator of the Land Quality Division or
Northwest Region Division Administrator, and an authorized representative of Baseline Station. DEQ's final decision after such dialogue shall be enforceable in accordance with Subsection 3.G. of this Agreement.

G. Enforcement of Agreement and Reservation of Rights

(1) In the event of any failure of Baseline Station to comply with any obligation of this Agreement, DEQ may enforce this Agreement under ORS 465.260(5) or exercise any authority or pursue any claim or cause of action that DEQ might have. Baseline Station reserves any defenses or counterclaims it might have in the event of such action by DEQ.

(2) In addition, without limiting the foregoing, upon any failure of Baseline Station to comply with any material obligation of this Agreement, DEQ may terminate this Agreement by written notice; provided that before such termination: (a) DEQ initiates dispute resolution in accordance with Subsection 3.F., (b) DEQ gives Baseline Station written notice of the deficiency describing what is necessary to correct the deficiency, and (c) Baseline Station fails to cure the deficiency within thirty (30) days of the notice, or conclusion of dispute resolution, whichever is later (or such longer period to which DEQ agrees in writing). Failure by DEQ to seek termination of this Agreement upon a failure of Baseline Station to comply with any material obligation of this Agreement shall not constitute a waiver by DEQ of that or any other obligation. DEQ may not terminate this Agreement under this paragraph 3.G.(2) during the pendency of any action to enforce or construe this Agreement.
(3) Except as provided in Subsections 3.H. and 3.I. of this Agreement, DEQ and Baseline Station reserve any claim or cause of action they respectively have as to any person or entity not a signatory to this Agreement.

(4) Baseline Station does not admit any liability or violation of law by virtue of entering this Agreement.

(5) DEQ reserves its authority to perform source control or remedial measures regarding a release of hazardous substances at or from the Property.

H. Waivers

(1) Baseline Station waives any claim or cause of action it might have against the State of Oregon arising from contamination at the Property existing as of the date of Baseline Station’s acquisition of ownership or operation of the Property.

(2) Baseline Station waives any right it might have under ORS 465.260(7) to seek reimbursement from the Hazardous Substance Remedial Action Fund (HSRAF) or the Orphan Site Account for cost incurred under this Agreement or related to the Property or Landfill Property.

I. Hold Harmless and Indemnification

Baseline Station shall save and hold harmless the State of Oregon and its commissions, agencies, officers, employees, contractors, agents, and authorized representatives, and indemnify the foregoing, from and against any and all claims arising from acts or omissions related to this Agreement of Baseline Station or its officers, employees, contractors, agents, receivers, trustees, or assigns. DEQ shall not be considered
a party to any contract made by Baseline Station or its agents in carrying out activities under this Agreement.

J. Recording

Within thirty (30) days of the date Baseline Station receives an ownership interest in the Property, Baseline Station shall record this Agreement in the real property records of Washington County, State of Oregon. Baseline Station shall provide DEQ with a certified copy of the recorded agreement within seven (7) days of recording.

(2) Upon any termination of this Agreement, DEQ may record, or require Baseline Station to record, notice of such termination in the real property records of Washington County, State of Oregon.

K. Transfer of Interest

Baseline Station shall provide written notice to the DEQ project manager not less than thirty (30) days prior to transfer of any interest in the Property, or a portion of the Property, from Baseline Station to another person or entity. Notwithstanding the foregoing, such notice shall not be required after DEQ issues an unconditional No Further Action determination or unconditional Certificate of Completion for the Property and Baseline Station completes all obligations required under this Agreement.

4. RELEASE FROM LIABILITY

A. Subject to the satisfactory performance by Baseline Station of its obligations under this Agreement, including compliance with ongoing obligations and institutional controls, Baseline Station shall not be liable to the State of Oregon under ORS 465.200 through 465.455 and 465.900 for any release of the hazardous substances described in
Section 1 above at the Property existing as of the date of Baseline Station’s acquisition of its interest in or operation (whichever is earlier) of the Property, whichever applies.

Baseline Station shall bear the burden of proving that any hazardous substance release existed before the date of acquisition of its interest in or operation of the Property.

B. The release from liability under Subsection 4.A of this Agreement shall not apply to any liability regarding:

(1) A release of hazardous substances at the Property after the date of Baseline Station’s acquisition of an interest in or operation of the Property;

(2) Contribution to or exacerbation of a release of hazardous substances, provided that activities conducted in accordance with the remedial action shall not be deemed to have exacerbated the release of hazardous substances;

(3) Interference or failure to cooperate with DEQ, or with persons conducting remedial measures under DEQ's oversight at the Property;

(4) Failure to exercise due care or take reasonable precautions with respect to any hazardous substance at the Property;

(5) Violation of federal, state, or local law regarding hazardous substances;

(6) Any ownership or operation of the Property or release of hazardous substances at the Property by Baseline Station before the effective date of this Agreement;

(7) Any liability of Baseline Station for a release of hazardous substances at an off-site location that affects the Property; and

(8) Any matters as to which the State of Oregon is owed indemnification under Subsection 3.1 of this Agreement.
C. Neither the release of liability in Subsection 4.A. nor any other provision of this Agreement constitutes or shall be construed as an obligation by the state of Oregon, or any commission, agency, officer or employee thereof to indemnify, defend or hold harmless any person, including without limitation Baseline Station, for costs or expenses arising from or related in any way to the Property, a release of hazardous substances at, to, or from the Property, or this Agreement.

5. PARTIES BOUND

A. This Agreement shall be binding on the signatories and their respective commissions, agencies, officers, assigns, successors, employees, contractors, agents, and authorized representatives. The undersigned representative of each party certifies that he or she is fully authorized to execute and bind such party to this Agreement. No change in ownership or corporate or partnership status relating to the Property shall in any way alter Baseline Station’s obligations under this Agreement, unless approved otherwise in writing by DEQ.

B. The benefits and burdens of this Agreement shall run with the land and shall inure to the benefit of any person obtaining an interest in the Property directly or indirectly through Baseline Station; however, the release from liability set forth in Subsection 4.A and the contribution protection set forth in Subsection 4.D. of this Agreement shall limit or otherwise affect the liability only of persons who are not potentially liable under ORS 465.255 for a release of hazardous substances at the Property as of the date of that person's acquisition of ownership or operational interest in the Property.

6. EFFECTIVE DATE

Baseline Station, LLC
Prospective Purchaser Agreement

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After signature by both parties, this Agreement shall be effective when Baseline Station receives an ownership interest in the Property.

SIGNATURES

For Baseline Station, LLC:

[Signature]
Scott Elliott
Baseline Station, LLC

Date: 8/15/06

SUBSCRIBED AND SWORN TO BEFORE ME this 15th day of August, 2006 by Scott Elliott in his capacity as President of Baseline Station, LLC.

[Signature]
Jill Boatwright
Notary Public for Oregon
My Commission expires: February 7, 2010

For DEQ:

[Signature]
Alan Kiphut, Administrator
Land Quality Division
Oregon Department of Environmental Quality

Date: 8/16/06

SUBSCRIBED AND SWORN TO BEFORE ME this 16th day of August, 2006 by, Alan Kiphut in his capacity as Administrator of the Land Quality Division, Oregon Department of Environmental Quality.

[Signature]
Denise Roth
Notary Public for Oregon
My Commission expires: 2/18/09

Baseline Station, LLC
Prospective Purchaser Agreement