

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “**Agreement**”) is entered into as of the 1st day of November, 2017 (the “**Effective Date**”) between DESCHUTES COUNTY, a political subdivision of the State of Oregon (“**Seller**”) and OREGON STATE UNIVERSITY (“**Purchaser**”). Seller and Purchaser are sometimes collectively referred to in this Agreement as the “**Parties**,” or each individually as a “**Party**.”

In consideration of the mutual covenants in this Agreement as well as other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. PURCHASE AND SALE OF PROPERTY; EFFECT OF FINAL TERM SHEET.

1.1 Incorporation by Reference. All Exhibits and Schedules attached to this Agreement are expressly incorporated into this Agreement by reference, except for certain sections in the “Final Term Sheet for PSA” attached hereto as **Exhibit A** (the “**Term Sheet**”) that are expressly excluded pursuant to Section 1.2 of this Agreement below. Use of the phrase “this Agreement,” whether in any Exhibit, Schedule or elsewhere, shall refer to this Purchase and Sale Agreement inclusive of all incorporated Exhibits and Schedules. Any capitalized term not defined in the body of this Agreement shall have the meanings ascribed to it in the Term Sheet.

1.2 Excluded Term Sheet Provisions. Notwithstanding the terms of Section 1.1 above, the following Term Sheet sections will not be incorporated into this Agreement and are deemed expressly excluded from this Agreement: Section 2 (Purchase Price), Section 10 (Post-Closing Agreements), Section 17 (Effect of Term Sheet) and Section 18 (Critical Path Timelines).

1.3 Defined Terms in Term Sheet. This Agreement constitutes the “final Purchase and Sale Agreement” or “PSA” defined in and contemplated by the Term Sheet. Notwithstanding the exclusions set forth in Section 1.2 above, the following defined terms in the Term Sheet are hereby incorporated into this Agreement: “PSA Effective Date” (Term Sheet Section 2), which shall have the same meaning as “Effective Date”; “Plan Standards” (Term Sheet Section 2); and “Remediation Work” (Term Sheet Section 2).

1.4 Property. The “Property” being sold is identified in Term Sheet Section 1. In fulfillment of the process for generating a final legal description for the Property contemplated in the Term Sheet, within 15 days after the Effective Date Purchaser and Seller shall jointly engage a surveyor reasonably acceptable to both Parties to prepare an ALTA/NSPS survey of the Property (the “**Survey**”). The cost to prepare the initial Survey of the Property shall be split equally between Seller and Purchaser, and the cost of any revisions or additions to the Survey shall be borne solely by the party requesting such revision or addition. The Survey shall be used both by Purchaser in its title and survey review, and by Seller in connection with its legal subdivision of the Property from surrounding land owned by Seller. Prior to Closing

and upon completion of the Survey, the legal description of the Property contained in the Survey shall be attached hereto as Exhibit B as the final legal description of the Property.

1.5 Purchase and Sale. Seller agrees to sell the Property to Purchaser, and Purchaser agrees to purchase the Property from Seller, on the terms and conditions set forth in this Agreement.

2. PURCHASE PRICE.

2.1 Purchase Price. The “Purchase Price” of the Property shall be \$1. The Purchase Price has been finally determined and will not be subject to modification or adjustment for subsequent investigations or events.

2.2 Payment of Purchase Price. The Purchase Price will be paid at Closing in cash.

3. DUE DILIGENCE; TITLE AND SURVEY.

3.1 Purchaser’s Due Diligence Period. Term Sheet Section 3 sets forth the Parties’ agreed terms relating to Purchaser’s due diligence review and assessment of the Property. For purposes of clarification, the “Due Diligence Period” commences on the Effective Date and expires on May 1, 2018.

3.2 Contingency Items Period. Term Sheet Section 4 sets forth the Parties’ agreed terms relating to the “Contingency Items Condition” granted to Purchaser, and the “Contingency Items Periods” within which Purchaser may continue to pursue completion of the Contingency Items Condition. For purposes of clarification, the first Contingency Items Period (if exercised) commences upon expiration of the Due Diligence Period and expires on August 1, 2018, and the second Contingency Items Period (if exercised) commences upon expiration of the first Contingency Items Period and expires on November 1, 2018.

3.3 Indemnity (Purchaser Pre-Acquisition Diligence). Term Sheet Section 8 sets forth the Parties’ agreed terms relating to Purchaser’s indemnification of Seller with respect to Purchaser’s due diligence investigations upon the Property prior to Closing.

3.4 Title and Survey Review. Term Sheet Section 3(e) sets forth the Parties’ agreed terms relating to Purchaser’s due diligence review of title to the Property and the Survey.

3.5 Title Company; Closing Escrow Agent. OSU will engage First American Title Company of Oregon, 395 S.W. Bluff Dr., Suite 100, Bend, Oregon 97702 (the “Title Company”) to prepare a title report with respect to the Property (the “Title Report”), for purposes of the title review contemplated in Term Sheet Section 3(e). The Title Company will also act as the “Escrow Agent” through which the sale transaction will close in escrow.

4. CLOSING.

4.1 Time and Place. As contemplated by Term Sheet Section 5, closing of the sale and purchase of the Property (the “Closing”) will occur on a date (the “Closing Date”) that is

the later of (i) the 60th day after the expiration of the Due Diligence Period, or (ii) the 60th day after the expiration of the Contingency Items Periods, if applicable; provided, however, that the Parties may mutually agree in writing upon another Closing Date. The escrow for the Closing will be established at the office of the Escrow Agent.

4.2 Closing Costs. As contemplated by Term Sheet Section 6, costs of title insurance premiums, recording costs of documents being recorded at Closing, and title company escrow fees shall be paid by Purchaser; provided, however, the cost of the Survey and all additions and revisions thereto shall be allocated as provided in Section 1.4 above.

4.3 Seller's Closing Deliveries. At Closing, Seller will deliver the following:

(a) A statutory bargain and sale deed in form reasonably acceptable to the Parties, subject only to the Permitted Exceptions (the "Deed"). For purposes hereof, the "Permitted Exceptions" consist of: (1) matters disclosed on the Survey, and (2) matters of title reflected on the initial Title Report obtained by Purchaser following execution of this Agreement, except for those matters that Seller is obligated to cure pursuant to Term Sheet Section 3(e).

(b) As contemplated by Term Sheet Section 9(b), a certification in the form attached hereto as Schedule 4.3(b), signed by Seller, stating that as of the Closing Date Seller has net assets in excess of the aggregate of (i) the "County Indemnity Cap" of \$5,000,000, as defined and identified in Term Sheet Section 4(j), and (ii) \$1,500,000 in connection with the County's UAW Remediation Work reimbursement obligations pursuant to Sections 2(b)(i) and 2(b)(ii) of Term Sheet Exhibit 9(a).

(c) A bill of sale, conveying all tangible personal property (if any) that is owned and used by Seller in connection with its operation of the Property.

(d) An assignment of intangible personal property assigning to Purchaser any assignable permits, approvals or other rights and intangible personal property that is owned by Seller and relates to the use and operation of the Property.

(e) Such documents as Purchaser or the Escrow Agent may require to evidence the authority of the Seller to consummate this transaction; and

(f) Any other documents and funds, including (without limitation) escrow instructions, that are required of the Seller to close the sale in accordance with this Agreement.

4.4 Purchaser's Closing Deliveries. At Closing, Purchaser will deliver the following:

(a) The Purchase Price in cash;

(b) As contemplated by Term Sheet Section 9(a), a certification in the form attached hereto as Schedule 4.4(b), signed by Purchaser, stating that as of the Closing Date Purchaser has net assets in excess of the "OSU Indemnity Cap" of \$15,000,000, as defined and identified in Term Sheet Section 4(i).

(c) Any documents that the Seller or the Escrow Agent may require to evidence the authority of Purchaser to consummate this transaction; and

(d) Any other documents and funds, including (without limitation) escrow instructions, that are required of Purchaser to close the sale and purchase of the Property in accordance with this Agreement.

4.5 Conduct of Escrow Closing. The sale of the Property may be closed in escrow with the Escrow Agent on terms acceptable to the Parties and customary for similar closings in Deschutes County, Oregon, as reflected in written escrow closing instructions prepared by the Escrow Agent, in form and content reasonably acceptable to the Parties. The Parties acknowledge and understand that neither Purchaser nor Seller nor their respective counsel need be physically present at the Closing, so long as all Closing documents are fully executed, delivered in escrow and available to be recorded (as applicable) on or before the Closing Date.

4.6 Prorations. All expenses incurred by the Seller with respect to Seller's ownership and operation of the Property prior to Closing will be paid by the Seller at Closing, without proration.

4.7 Possession. Seller shall deliver exclusive possession of the Property to Purchaser on the Closing Date.

5. **ENVIRONMENTAL AGREEMENT; USE AGREEMENT.**

5.1 Environmental Agreement. Term Sheet Section 10(a), which has been expressly excluded from this Agreement, and the preamble to Term Sheet Exhibit 9(a) contemplated that the Parties would enter into a separate "Environmental Agreement" addressing the terms set forth on Term Sheet Exhibit 9(a). In lieu of an Environmental Agreement, the Parties have agreed to incorporate the terms of Term Sheet Exhibit 9(a) into this Agreement and to supplement such terms with the terms set forth in Schedule 1 to this Agreement (such integrated Term Sheet Exhibit 9(a) terms, as supplemented, being referred to herein as the "**Environmental Terms**"). All references in the Term Sheet to the "Environmental Agreement" shall be deemed to refer to the Environmental Terms set forth in this Agreement, and the Parties agree that there is no intent at this time to enter into any agreements, other than this Agreement, with respect to the Environmental Terms.

5.2 Use Agreement. Term Sheet Section 10(b), which has been expressly excluded from this Agreement, contemplated that the Parties would enter into a separate "Use Agreement" addressing the terms set forth on Term Sheet Exhibit 9(b). In lieu of a Use Agreement, the Parties have agreed to incorporate the terms of Term Sheet Exhibit 9(b) (the "**Use Terms**") into this Agreement. All references in the Term Sheet to the "Use Agreement" shall be deemed to refer to the Use Terms, and the Parties agree that there is no intent at this time to enter into any agreements, other than this Agreement, with respect to the Use Terms.

5.3 Post-Closing Agreements. All references in the Term Sheet to "Post-Closing Agreements" shall be deemed to refer to this Agreement.

6. **COVENANTS OF SELLER.** As contemplated by Term Sheet Section 11, Seller covenants to and for the benefit of Purchaser as follows:

6.1 **Information.** Seller agrees to deliver to Purchaser, within twenty (20) days after the Effective Date, photocopies or electronic versions of all documents or other information related to the use, condition or the ownership of the Property in Seller's physical possession and not otherwise available to the public, including (without limitation) all studies, audits, contracts, environmental assessments, analyses, tests, monitoring results, surveys, licenses, permits, approvals, easements, soil studies, wells, leases, government program entitlements, reports, aerial photographs, notices of violation, waste disposal records, documents related to the presence or absence of any hazardous materials in, on, under, flowing off, or entering onto the Property or its environmental condition, and other written materials relating to the Property. Seller will make available to Purchaser (i) all existing and future remediation analyses, reports and plans regarding the Property, and (ii) Seller's staff for further review by Purchaser and Seller's staff of the existing and proposed modified solid waste permit for the Property and the application and form of the PPA and Comfort Letter.

6.2 **Operation and Maintenance.**

(a) Before the Closing Date, Seller will maintain and manage the Property (i) in the same manner and condition as now exists, ordinary wear and tear and casualty excepted, and (ii) in accordance with all legal requirements and the terms of any permits, licenses or other governmental approvals affecting the Property. Seller will not cause or permit any new or additional waste upon the Property.

(b) In furtherance of the covenants in this Section 6.2, Seller covenants and agrees that, at all times before Closing, it shall, at its sole expense, maintain and operate the Landfill in full compliance with a valid Solid Waste Disposal Site Closure Permit (the "**Landfill Solid Waste Permit**") issued by the Oregon Department of Environmental Quality ("**Oregon DEQ**"). In addition, Seller covenants and agrees that it shall not seek any modification to the Landfill Solid Waste Permit before Closing without the prior written approval of the Purchaser, which approval shall not be unreasonably withheld. Additional terms regarding the Landfill permits are set forth in Term Sheet Section 3(c), which has been incorporated into this Agreement.

6.3 **Ownership.** Prior to the Closing Date, Seller will not sell, contract to sell, assign, lease, or otherwise transfer the Property or any part of it, nor grant an option to any third party to acquire all or any portion of it. Furthermore, Seller will not enter into any contracts respecting the Property which by their terms survive the Closing, absent the Purchaser's prior written consent, which consent shall not be unreasonably withheld.

6.4 **Notice.** Before the Closing Date, Seller shall notify Purchaser in writing of:

(a) Excluding any matters disclosed prior to the Effective Date, any enforcement, cleanup, removal or any other governmental or regulatory action, investigation, or any other proceedings instituted, completed, or threatened in connection with any Landfill Solid Waste Permit in effect with respect to the Property or in any way related to the presence or

absence of any hazardous materials or solid waste in, on, under, flowing off, or entering onto the Property; and

(b) any other communications to or from the Oregon DEQ in connection with any Landfill Solid Waste Permit, or the PPA or Comfort Letter pertaining to the Property.

7. **REPRESENTATIONS AND WARRANTIES; COVENANTS.**

7.1 **Seller's Representations and Warranties.** As contemplated by Term Sheet Section 12, Seller represents and warrants to Purchaser as follows:

(a) Seller has full power and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby. The individuals executing this Agreement and the instruments referenced herein on behalf of Seller have the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof. This Agreement has been duly approved by all necessary action to legally bind Seller under Oregon law.

(b) Each item of information furnished by Seller to Purchaser in connection with this Agreement is accurate and complete in all material respects.

(c) There is no litigation, arbitration, or administrative enforcement action, investigation or hearing pending before any governmental authority that concerns or affects the Property and, to the knowledge of the Seller, no such proceeding is threatened. The Property complies with all applicable laws, ordinances, and governmental approvals.

(d) Seller has received no written notice of and has no knowledge of any violations or investigations of violations of any applicable permits, laws or ordinances affecting the Property that have not been corrected or resolved.

(e) There are no leases affecting all or any part of the Property, and there are no written or oral promises, understandings, agreements or other commitments between Seller and any tenant or other person affecting the Property.

(f) There are no outstanding agreements of sale, options or other rights of third parties to acquire the Property or any interest therein.

(g) To Seller's knowledge, the Property is not identified as having any archaeological or historic significance.

7.2 **Parties' Representations Regarding Indemnity Caps.**

(a) Seller represents that, as of the Effective Date, Seller has net assets in excess of the aggregate of (i) the \$5,000,000 County Indemnity Cap, and (ii) \$1,500,000 in connection with the County's UAW Remediation Work cost obligations pursuant to Sections 2(b)(i) and 2(b)(ii) of Term Sheet Exhibit 9(a).

(b) Purchaser represents that, as of the Effective Date, Purchaser has net assets in excess of the \$15,000,000 OSU Indemnity Cap.

7.3 Parties' UAW Disclosures.

(a) Seller represents that, as of the Effective Date, except as set forth on Schedule 7.3(a) attached hereto, Seller has no actual and specific knowledge as to any UAW on, in, under or migrating from the Property.

(b) Purchaser represents that, as of the Effective Date, except as set forth on Schedule 7.3(b) attached hereto, Purchaser has no actual and specific knowledge as to any UAW on, in, under or migrating from the Property.

7.4 Covenants. Seller covenants and agrees that it shall cause all representations and warranties of Seller contained in this Section 7 to be true and correct as of the Closing Date. Purchaser covenants and agrees that it shall cause all representations and warranties of Purchaser contained in this Section 7 to be true and correct as of the Closing Date.

8. CONDITIONS PRECEDENT TO CLOSING.

8.1 Purchaser's Closing Conditions. As contemplated by Term Sheet Section 13, Purchaser's obligation to close this transaction is subject to the satisfaction of all of the following conditions ("**Closing Conditions**"):

(a) those Closing Conditions set forth in Term Sheet Sections 13(a) through 13(f), which have been incorporated into this Agreement by reference; and

(b) Seller's fulfillment of each of its obligations under this Agreement (being the sole additional closing condition contemplated by Term Sheet Section 13(g)).

8.2 Title Insurance. For purposes of clarification, the policy of title insurance described in Term Sheet Section 13(d) shall be an extended coverage ALTA Title Insurance Policy (2006 form) together with an OTIRO Endorsement No. 101 (Pending Improvements) to the policy, reflecting an amount of insurance equal to the fair market value of the Property.

8.3 Failure of Closing Conditions. In the event any one or more of the above conditions in this Section 8 is not satisfied as of the Closing Date, or if the party for whom such condition is intended to benefit reasonably determines that the same are not capable of being so satisfied by the Closing Date, such Party may:

(a) waive such condition by so advising the other Party in writing, whereupon this sale shall close in accordance with the terms hereof;

(b) extend the Closing Date for up to fifteen (15) business days and, to the extent constituting a misrepresentation or default of the other Party, require the other Party to satisfy the condition to the extent feasible or if capable of being satisfied by monetary payment; or

(c) elect to terminate this Agreement, in which event, and except to the extent the Parties' remedies are limited by any provision of the Term Sheet (Exhibit A attached hereto) or this Agreement, the nonperforming Party, if any, shall continue to be liable to the other Party hereto for its out of pocket damages and expenses (excluding special or consequential damages) caused by such failure or inability to close this transaction with all conditions satisfied.

9. **DEFAULT REMEDIES; INDEMNITY CAPS.**

9.1 Indemnification Obligations.

(a) Seller Indemnity. Pursuant to Term Sheet Exhibit 9(a), Sections 4(c), 4(d) and 4(e), Seller has agreed to certain indemnification obligations.

(b) Purchaser Indemnity. Pursuant to Term Sheet Exhibit 9(a), Sections 4(a), 4(b) and 4(e), Purchaser has agreed to certain indemnification obligations.

9.2 Indemnity Caps. Certain indemnification caps, known as the "OSU Indemnity Cap" and the "County Indemnity Cap," respectively, are set forth in Term Sheet Sections 4(i) and 4(j).

9.3 Terms of General Applicability. For purposes of clarification, the indemnity obligations and caps described in Sections 9.1 and 9.2 above are generally applicable to this Agreement, notwithstanding their being located in Term Sheet Exhibit 9(a).

9.4 Default Remedies. Term Sheet Section 15 sets forth the Parties' agreed remedies in the event of a default occurring with respect to any of the terms and provisions of this Agreement. The Parties' remedies shall survive Closing.

10. **GENERAL PROVISIONS.**

10.1 General Standards for Cooperation. Seller's obligations to cooperate with Purchaser are set forth in Term Sheet Section 14.

10.2 Casualty; Risk of Loss. Seller bears the risk of all loss or damage to the Property from all causes during the period from the Effective Date through the Closing Date, except to the extent caused by Purchaser and/or its agents and contractors. This Section 10.2 shall in no event affect Purchaser's indemnity obligations under Section 3.3 of this Agreement.

10.3 Time of Essence. Except as otherwise specifically provided in this Agreement, time is of the essence of each and every provision of this Agreement.

10.4 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective heirs, personal representatives, successors, and permitted assigns.

10.5 Negation of Agency or Partnership. Seller's agreement to cooperate with Purchaser in connection with Purchaser's remediation or development of the Property and any

other provision of this Agreement shall not be construed as making either Party an agent or partner of the other Party.

10.6 Notices.

(a) All notices given pursuant to this Agreement shall be in writing and shall either be (i) mailed by first class mail, postage prepaid, certified or registered with return receipt requested, (ii) delivered in person or by nationally recognized overnight courier, or (iii) sent by facsimile.

(b) Any notice (i) sent by mail in the manner specified in paragraph (a) of this section shall be deemed served or given two (2) business days after deposit in the United States Postal Service, (ii) delivered by nationally recognized overnight courier shall be deemed served or given one (1) business day after delivery to the courier, charges prepaid, and (iii) given by facsimile shall be deemed given after being facsimiled and receipt has been confirmed either electronically or otherwise. Notice given to a Party in any manner not specified above shall be effective only if and when received by the addressee as demonstrated by objective evidence in the possession of the sender.

(c) The address of each Party to this Agreement for purposes of notice shall be as follows:

Seller: Deschutes County
Att'n: Property Manager
P.O. Box 6005
Bend, Oregon 97708-6005
Fax: (541) 317-3168

with a copy to: Deschutes County
Att'n: County Administrator
P.O. Box 6005
Bend, Oregon 97708-6005
Fax: (541) 385-3202

with a copy to: Deschutes County
Att'n: County Legal Counsel
P.O. Box 6005
Bend, Oregon 97708-6005
Fax: (541) 617-4748

Purchaser: Oregon State University - Cascades
Att'n: Associate VP Finance and Strategic Planning
1500 SW Chandler Avenue
Bend, Oregon 97702
Fax: (541) 706-2005

with a copy to:

Oregon State University
Att'n: Director of Real Property
3015 SW Western Blvd.
Corvallis, Oregon 97333
Fax: (541) 737-4810

and a copy to:

Oregon State University
Att'n: Office of General Counsel
638 Kerr Administration Bldg.
Corvallis, Oregon 97331-2128
Fax: (541) 737-0712

Each Party may change its address for notice by giving not less than fifteen (15) days' prior notice of such change to the other Party in the manner set forth above.

10.7 Waiver. Failure of either Party at any time to require performance of any provision of this Agreement shall not limit the Party's right to enforce the provision. Waiver of any breach of any provision shall not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

10.8 Integration. This Agreement, which includes all Exhibits and Schedules (except for those items expressly excluded from this Agreement pursuant to Section 1.2 above), supersedes and replaces all written and oral agreements previously made or existing between the Parties with respect to the subject matter hereof and states the entire agreement of the Parties with respect to such subject matter.

10.9 Brokers. Each Party represents to the other Party that no brokers are representing it in connection with this transaction. Further each Party agrees to pay any commission or finder's fees that may be due on account of this transaction to any broker or finder employed by it and to indemnify the other Party against any claims for commissions or fees asserted by any broker claiming by, through or under the indemnifying party. Each Party shall defend, indemnify, reimburse and hold the other Party harmless from any claim, loss, or liability made or imposed by any other person or entity claiming a commission or fee in connection with this transaction and arising out of the indemnifying party's own conduct.

10.10 Changes in Writing. This Agreement and any of its terms may only be changed, waived, discharged or terminated by a written instrument signed by the Party against whom enforcement of the change, waiver, discharge or termination is sought.

10.11 Facsimile Signatures. Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, shall be the same as delivery of an original. At the request of either Party, or the Escrow Agent, the Parties shall confirm facsimile transmitted signatures by signing an original document.

10.12 Counterparts. This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.13 Invalidity of Provisions. In the event any provision of this Agreement, or any instrument to be delivered by Seller at Closing pursuant to this Agreement, is construed or declared by a court of competent jurisdiction to be invalid, illegal or unenforceable, then the court shall reform the applicable provision or instrument in a manner that causes the instrument or provision to (i) be valid, legal and enforceable, and (ii) conforms to the Parties' intent as evidenced in this Agreement, to the maximum extent permitted by applicable laws.

10.14 Saturday, Sunday and Legal Holidays. If the time for performance of any of the terms, conditions and provisions of this Agreement shall fall on a Saturday, Sunday or legal holiday, then the time of such performance shall be extended to the next business day thereafter.

10.15 Survival of Covenants. Purchaser's and Seller's covenants set forth in (i) Section 7.4, and (ii) Term Sheet Section 8, together with any covenants, terms and agreements that this Agreement does not expressly require to be fully performed prior to the Closing Date, or that otherwise would reasonably be expected to survive the Closing, shall survive the Closing Date and shall be fully enforceable thereafter in accordance with the terms of this Agreement.

10.16 Successors and Assigns Subject to the limitations on the Seller's right to convey the Property set forth elsewhere herein, the terms, covenants, and conditions herein contained are binding on and inure to the benefit of the heirs, successors, and assigns of the Seller and Purchaser. Purchaser may assign its interest in this Agreement and the Property to any entity owned or controlled by Purchaser, without the consent of the Seller, and Purchaser shall provide written notice of any such assignment to Seller. If an assignee assumes the obligations of Purchaser hereunder, then Purchaser will not be released from its obligations under this Agreement absent the Seller's written consent.

10.17 Legal Representation. Seller and Purchaser have each been represented by separate legal counsel of choice with respect to this transaction. Except as otherwise provided in Section 4(h) of Term Sheet Exhibit 9(a), each Party will be responsible for all attorneys' fees incurred by it with respect to this Agreement.

10.18 Authority to Execute. Each person executing this Agreement on behalf of the Seller and Purchaser, respectively, warrants his or her authority to do so.

10.19 Jurisdiction and Venue. The Parties agreed terms regarding jurisdiction and venue are set forth in Term Sheet Section 16.

10.20 Non-Binding Mediation. As contemplated by Term Sheet Section 13, the Parties agree that in the event of any dispute or disagreement between Purchaser and Seller as to the interpretation of any provision of this Agreement, the performance of obligations under this Agreement, or any other disputed matter relating to this Agreement (each, a "**Dispute**"), each Dispute, upon written request sent by Purchaser or Seller to the other party ("**Mediation Request**") and prior to initiation of any arbitration proceeding described in Section 10.21 of this Agreement, shall be submitted to non-binding mediation to be conducted in Bend, Oregon within thirty (30) days after delivery of the Mediation Request by a single mediator mutually

agreed by Purchaser and Seller. The representatives of each Party attending the mediation shall include person(s) authorized to settle all Disputes for such party. The costs of the mediator shall be split equally between the Parties. If within sixty (60) days after the date of the Parties' attendance at the initial mediation session all Disputes submitted to the mediator have not been fully and finally settled or resolved in a writing signed by Purchaser and Seller, Purchaser or Seller shall be free to initiate an arbitration proceeding under Section 10.21 of this Agreement. In no event shall this Section 10.20 be deemed to require either Party to seek mediation with respect to matters for which a Party may seek specific performance or injunctive relief.

10.21 Alternative Dispute Resolution. Section 4(h) of Term Sheet Exhibit 9(a) contemplates that the Parties will submit to an expert arbitration panel for resolution any indemnity claims that the Parties cannot otherwise resolve (each, an "**Indemnity Dispute**"). Section 9 of Term Sheet Exhibit 9(a) contemplates that the Parties will establish an alternative dispute resolution process for any disagreement between the Parties related to the Environmental Terms that the Parties cannot otherwise resolve, except for disputes regarding any governmental law matters (which are to be resolved by a court of competent jurisdiction) (each an "**Environmental Terms Dispute**"). Subject to the Parties' prior participation in the mediation process described in Section 10.20 above, the Parties agree to resolve each Indemnity Dispute and Environmental Terms Dispute pursuant to an arbitration proceeding that is conducted and administered by the Parties (i) in compliance with the express terms of Term Sheet Section 4(h), and (ii) with respect to any matters not addressed in Term Sheet Section 4(h), applying the then prevailing Rules of the American Arbitration Association (or any successor thereto) under its applicable procedures for a large, complex commercial dispute. The Parties incorporate the provisions of Oregon Code of Civil Procedure into this Agreement and make those provisions a part of and applicable to any proceedings, including but not limited to, arbitration arising under the terms of this Agreement. The arbitration shall take place in Bend, Oregon. The results of the arbitration process and/or the findings of the arbitrators may not be reversed, modified and/or remanded by any court except in the event that a particular result and/or finding (x) is arbitrary and capricious, or (y) contains, or is based upon, a material error of applicable law.

10.22 Applicable Law. This Agreement shall be construed, applied and enforced in accordance with the laws of the State of Oregon.

10.23 Statutory Disclosure.

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305

TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009 AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY SELLERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009 AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

[Signature page follows]

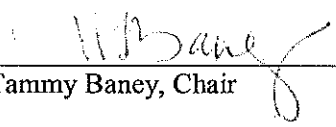
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

REVIEWED

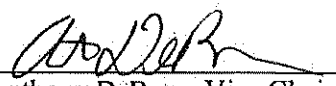
LEGAL COUNSEL

SELLER:

BOARD OF COUNTY COMMISSIONERS OF
DESCHUTES COUNTY, OREGON

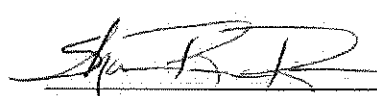


Tammy Baney, Chair

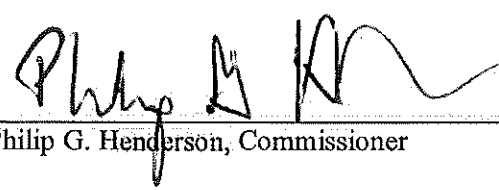


Anthony DeBone, Vice-Chair

ATTEST;



Recording Secretary



Philip G. Henderson, Commissioner

PURCHASER:

OREGON STATE UNIVERSITY

By: _____
Edward J. Ray, President

Exhibits and Schedules:

Exhibit A – Term Sheet

Exhibit B – Legal Description (to be attached upon completion of the Survey and prior to Closing)

Schedule 1 – Environmental Terms Supplement

Schedule 4.3(b) – Seller Certification

Schedule 4.4(b) – Purchaser Certification

Schedule 7.3(a) – Seller UAW Disclosure

Schedule 7.3(b) – Purchaser UAW Disclosure

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

REVIEWED
_____ LEGAL COUNSEL

SELLER:

BOARD OF COUNTY COMMISSIONERS OF
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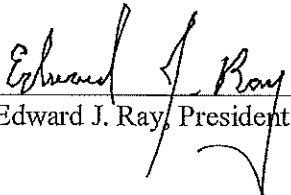
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FINAL TERM SHEET FOR PSA

**PROSPECTIVE SALE OF BEND DEMOLITION LANDFILL SITE
FROM DESCHUTES COUNTY (“COUNTY”) TO OREGON STATE UNIVERSITY (“OSU”)**

This Term Sheet sets forth preliminary discussion terms regarding the sale of the below-described Property to OSU by the County. Mutually acceptable terms, consistent with this Term Sheet, will be incorporated into a final Purchase and Sale Agreement (“PSA”) memorializing the parties’ final, binding agreements.

1. Property. The “**Property**” consists of portions of Tax Lots 100, 110, and 111 on Deschutes County Tax Assessor’s map 18-12-06 lying south of Simpson Avenue, together with Tax Lot 719 on Deschutes County Tax Assessor’s Map 18-12-06A, excluding any portions lying north of the Simpson Avenue right-of-way. The final legal description of the land will be established based upon OSU’s survey of the Property, provided that such survey’s legal description must be consistent with any legal description created pursuant to the land partition process described in Section 13(a) below, if applicable. The Property comprises approximately 72 acres of land, and a portion of the Property consists of an inactive landfill known as the “Bend Demolition Landfill” (the “**Landfill**”).

2. Purchase Price. The “**Purchase Price**” of the Property shall be \$1. The Purchase Price was determined as follows: (1) if the “Fair Market Value” of the Property is greater than the projected “Remediation Costs,” the Purchase Price would be the Fair Market Value less the projected Remediation Costs, or (2) if the “Fair Market Value” is less than the projected Remediation Costs, the Purchase Price would be \$1. Because the parties have determined and agreed that the Remediation Costs (as projected to meet remediation standards identified by OSU) exceed the Fair Market Value of the Property, the parties have agreed that the Purchase Price shall be \$1. The method and dollar components for determining the Purchase Price is included in this Term Sheet for background purposes only. The Purchase Price has been finally determined and will not be subject to modification or adjustment for subsequent investigations or events.

Defined Terms:

- “**Fair Market Value**” is the fair market value of the Property as of the PSA Effective Date. For purposes of this Term Sheet and the PSA, the agreed upon Fair Market Value is \$30,000,000.00. This sum was established by multiple appraisals, which included certain hypothetical conditions as being in effect as of the PSA Effective Date: (i) reclamation and remediation of the Property to the standards set forth in the remediation plans developed for OSU by Maul Foster Alongi (the “**Plan Standards**”), (ii) re-zoning of the Property to Mixed-Use Urban Zone, and (iii) approximately 36 acres of the Property having been reclaimed and suitable for structural development and approximately 36 acres having been reclaimed and suitable for more passive uses (e.g., parking, athletic fields and solar power arrays)

with such respective 36-acre areas being generally shown on Exhibit 2 attached hereto.

- “**Remediation Costs**” are projected at \$43,278,023; this amount is the agreed upon cost for the purposes of the PSA of the work reasonably necessary to remediate the Landfill to the Plan Standards (such work being the “**Remediation Work**”). The Remediation Costs do not include any costs to conduct UAW Remediation Work.
- “**PSA Effective Date**” is the date on which the PSA is fully signed.
- “**Unauthorized Waste**” or “**UAW**” has the meaning provided in Section 7 below.

3. General Due Diligence Review Period. OSU will have six (6) months from the PSA Effective Date (the “**Due Diligence Period**”) to (x) engage in a general due diligence review and assessment of the Property, and (y) pursue all applicable permits and entitlements OSU desires. Upon the County’s request, OSU will provide County with copies of any third-party reports or investigation materials related to the Property (including but not limited to reports, maps, photos, diagrams, etc.) prepared through the expiration of the Due Diligence Period; provided, however, in no event shall OSU be required to provide any privileged information in connection with the foregoing requirement. If OSU is unable to secure the PPA (see subsection (b) below) within the designated time period, then OSU may terminate the PSA by delivering written notice of such termination election to the County prior to the expiration of the Due Diligence Period. Expiration of the Due Diligence Period will not affect OSU’s termination rights under Section 4 with respect to any failure to meet the “Contingency Items Condition” defined below. Following the Due Diligence Period and any applicable Contingency Items Period, but prior to the Closing Date (as defined below), the PSA will be terminable by OSU only in the event of a default by the County under the PSA or if one or more of the conditions to closing set forth in Section 13 below are not satisfied or not waived by OSU. OSU’s activities during the Due Diligence Period may include, but not be limited to, the following:

(a) *Access to Premises.* During the Due Diligence Period, OSU, together with OSU’s agents, contractors and other parties engaged to assist OSU with its due diligence investigation of the Property, shall have such access to the Property as OSU deems necessary to complete its due diligence investigation of the Property. In addition, OSU may engage in making targeted, limited intrusions of the capped surface of the Landfill to investigate the suitability of materials for beneficial uses by OSU (e.g., blending and construction fill purposes).

(b) *PPA and EPA Comfort Letter.* OSU intends to pursue a “DEQ Prospective Purchaser Agreement” from the Oregon DEQ and a comfort letter from the U.S. EPA with respect to the Property (the “**Comfort Letter**”). The DEQ Prospective Purchaser Agreement, issued pursuant to ORS 465.327, shall consist of a consent judgment approved by the applicable Oregon circuit court and shall include a detailed scope of work describing DEQ’s expectations with respect to remediation of the Property and a covenant not to sue or

take administrative action against OSU and protection from contribution actions by third parties to the extent allowed under Oregon law for matters addressed (once so completed and approved, the "PPA"). The PPA will be negotiated between OSU and DEQ according to the statutory process (including opportunity for public comments). The final version of the PPA must be in form and content acceptable to OSU. If the County is not satisfied with the form and content of the final version of the PPA, the County has an unconditional right to refuse to close the sale transaction and OSU shall have no recourse resulting solely from the County's exercise of this right.

(c) *Solid Waste Permit.* OSU intends to seek a modification to the County's existing solid waste disposal site permit from DEQ for the Property (the "**Existing SW Permit**"), which shall, among other matters (x) designate the County as the "operator" of the site and OSU as the owner (post-closing), (y) provide that, as each portion of the Property (referred to as a "**phase**") is remediated by OSU post-closing, such phase shall cease to be covered by the Existing SW Permit and instead be covered by the PPA immediately upon commencement of such remediation, and (z) include such additional changes to the Existing SW Permit as OSU in good faith deems necessary or appropriate in its sole discretion, with such additional changes subject to the County's reasonable approval before any modification to the Existing SW Permit is finalized.

Additionally, depending on the results of further consultation with OSU's experts and DEQ, OSU may in good faith elect to apply for a solid waste disposal site permit from DEQ for the Property (or the applicable portion thereof).

If the County is not satisfied with the form and content of the final version of the Existing SW Permit as modified by OSU and DEQ, or with the final version of any new solid waste disposal site permit obtained by OSU, the County has an unconditional right to refuse to close the sale transaction and OSU shall have no recourse resulting solely from the County's exercise of this right.

OSU's good faith efforts in obtaining such solid waste disposal site permit modifications or new permits in form and content acceptable to OSU in its sole discretion (subject to the County's approval of the final versions as described above) shall be referred to herein as the "**Solid Waste Permitting Contingency.**"

(d) *Study of Use of Landfill Materials and Approvals.* OSU intends to proceed with a study regarding the ability to beneficially reuse material reclaimed from the Landfill as construction fill material and to seek any necessary approvals from Oregon DEQ (and any other appropriate government authority) to authorize that beneficial use of Landfill material.

(e) *Title and Survey Review.* Within 10 days after the PSA Effective Date, a preliminary title report will be provided to OSU by a title company acceptable to OSU in connection with OSU's review of the status of title to the Property. OSU may elect to obtain a survey of the Property. During the Due Diligence Period, OSU will advise the County of any exceptions to title and survey that OSU deems unacceptable and desires to have the

County cure at the County's expense ("**Title Objections**"). Within ten (10) days of its receipt of OSU's Title Objections, the County will advise OSU whether or not it will elect to cure each of the Title Objections. Should the County elect to cure or otherwise address any identified Title Objections, the County will do so in good faith and will undertake commercially reasonable efforts to effect such cure. OSU will be permitted to terminate the PSA if the County is unable or unwilling to cure any Title Objections raised by OSU prior to the end of the Due Diligence Period. Notwithstanding the above, the County will have an absolute requirement to cure and remove on or before closing any monetary or fiscal liens or monetary or fiscal encumbrances against the Property. The County will not allow any new encumbrances or exceptions to title to arise after the PSA Effective Date without OSU's prior written consent.

4. Contingency Items Period. If, during the Due Diligence Period, and despite OSU's good faith efforts, OSU is unable to both (i) obtain the PPA in form and content acceptable to OSU, and (ii) fulfill the Solid Waste Permitting Contingency, (the "**Contingency Items Condition**"), then OSU shall have up to two (2) successive three (3)-month periods immediately following the expiration of the Due Diligence Period within which to continue to pursue fulfillment of the Contingency Items Condition (each such three-month period a "**Contingency Items Period**"). Each Contingency Items Period may be exercised by OSU by providing written notice to County prior to the expiration of the Due Diligence Period or initial Contingency Items Period (as applicable), provided that the Contingency Items Condition has not been previously met. If the Contingency Items Condition has not been met prior to the expiration of the Contingency Items Periods, OSU may terminate the PSA by written notice to County prior to the expiration of the final duly exercised Contingency Items Period.

5. Closing Date. Closing under the PSA shall occur on the later of (i) the 60th day after the expiration of the Due Diligence Period, or (ii) the 60th day after the expiration of the Contingency Items Period, if applicable; provided, however, that the parties may mutually agree in writing upon another closing date. The effective date of closing shall be known as the "**Closing Date.**"

6. Closing Costs. All costs of title insurance premiums, surveys, recording costs of documents being recorded at closing, and title company escrow fees shall be paid by OSU.

7. Unauthorized Waste. Only certain types of waste were permitted by Oregon DEQ to be disposed at the Landfill. However, both OSU and the County recognize that it is more likely than not that (i) some items of Unauthorized Waste (as defined below) were also likely disposed of at the Landfill, and (ii) such Unauthorized Waste would have been disposed of at the Landfill without the knowledge or consent of the County. For purposes hereof, "**Unauthorized Waste**" or "**UAW**" consists of: (i) materials that were not permitted by Oregon DEQ to be disposed of at the Landfill, and/or (ii) material that must be removed from the Landfill to prevent an unacceptable risk to human health or the environment. Notwithstanding the foregoing, materials such as tires, appliances and/or other materials that are or were specifically allowed under the current or any previous version of the County's solid waste disposal site permit to be disposed at

the Landfill, whether or not such materials are allowed to be redispersed at the Landfill as part of the remediation, shall not be considered UAW. The PSA will contain a representation from the County that, as of the PSA Effective Date, except as disclosed by the County in a schedule to the PSA accepted by OSU ("**Seller Disclosure Schedule**"), the County has no actual and specific knowledge as to any UAW on, in, under or migrating from the Property. The PSA will contain a representation from OSU that, as of the PSA Effective Date, except as disclosed by OSU in a schedule to the PSA accepted by County ("**Buyer Disclosure Schedule**"), OSU has no actual and specific knowledge as to any UAW on, in, under or migrating from the Property.

8. Indemnity for OSU Pre-Closing Investigation Activities. OSU will indemnify, defend, reimburse and hold the County harmless from and against (i) losses (excluding any consequential damages) incurred by the County with respect to the Property to the extent arising from or related to the presence or activities on the Property of OSU's employees, contractors, agents and representatives (collectively, "**OSU Representatives**") while conducting pre-closing due diligence investigations, and (ii) any third-party claims for personal injury or property damage to the extent arising from or related to the presence of any OSU Representatives on the Property while conducting pre-closing due diligence investigations or negligence or misconduct of any OSU Representatives while on the Property conducting pre-closing due diligence investigations, but excluding losses or claims arising from or related to (x) negligence or misconduct of the County or any of its employees; contractors, agents and representatives (collectively, "**County Representatives**"); (y) OSU's mere discovery of or incidental contact with Unauthorized Waste or hazardous materials on, in, under or from the Property (except any Unauthorized Waste or hazardous materials specifically described in the Buyer Disclosure Schedule or the Seller Disclosure Schedule); or (z) the Property's condition (including without limitation the presence of any waste permitted for disposal at the Landfill by Oregon DEQ, Unauthorized Waste, or hazardous materials on, in, under or from the Property except any Unauthorized Waste or hazardous materials specifically described in the Buyer Disclosure Schedule or the Seller Disclosure Schedule) at any time through and including the PSA Effective Date. It is expressly acknowledged and agreed that OSU shall have no responsibility for or obligations related to, and that County hereby and forever covenants to OSU not to sue (or bring other form of action against) and to release OSU and the OSU Representatives for and from, any and all losses, damages, liabilities, obligations, costs, fines, penalties, or claims whatsoever, with respect to Unauthorized Waste on, in, under or from the Property that OSU merely discovers or comes into incidental contact with in the course of its pre-closing due diligence investigations of the Property.

9. Indemnity Caps.

(a) OSU's indemnity obligations under the PSA and the Environmental Agreement are subject to the OSU Indemnity Cap defined and described in Section 4(i) of Exhibit 9(a) attached hereto. In the PSA, OSU shall represent and warrant to the County as of the PSA Effective Date that OSU has net assets in excess of the OSU Indemnity Cap. In connection with Closing, OSU shall deliver a certification (the "**OSU Indemnity Cap Certification**") to

the County that, as of the Closing Date, OSU has net assets in excess of the OSU Indemnity Cap.

(b) The County's indemnity obligations under the PSA and the Environmental Agreement are subject to the County Indemnity Cap defined and described in Section 4(j) of Exhibit 9(a) attached hereto. In the PSA, the County shall represent and warrant to OSU as of the PSA Effective Date that the County has net assets in excess of the County Indemnity Cap. In connection with Closing, the County shall provide OSU with a certification (the "**County Indemnity Cap Certification**") that, as of the Closing Date, the County has net assets in excess of the County Indemnity Cap.

10. Post-Closing Agreements. At closing, the parties will execute and deliver the following agreements, which will address in a manner consistent with this Term Sheet and the PSA certain rights, obligations and activities of the parties pertaining to the period following the Closing Date (the "Post-Closing Agreements"). The parties will negotiate the terms and provisions of the Post-Closing Agreements in good faith during the Due Diligence Period and work in good faith to reach agreement on the form and content of the Post-Closing Agreements by 120 days after the PSA Effective Date.

(a) *Environmental Agreement*. The Environmental Agreement will generally address allocation of the parties' respective rights and obligations following the Closing Date regarding the Landfill's environmental condition as of the Closing Date. The matters to be addressed in the Environmental Agreement will include the matters set forth on Exhibit 9(a) attached hereto.

(b) *Use Agreement*. The Use Agreement will address certain limited rights of the County and OSU in the event of certain sales of the Property by OSU within a certain time period after closing. The proposed terms of the Use Agreement are summarized in Exhibit 9(b) attached hereto.

11. Seller Covenants. Typical covenants of a seller will be included in the PSA, including the County continuing to manage the inactive Landfill in the ordinary course until closing in accordance with all applicable permits and legal requirements.

12. Seller Representations. Customary representations of a seller will be included in the PSA, including without limitation delivery of copies or reproductions of all documents related to the Landfill (e.g., reports, site assessments, correspondence, agreements, disposal records and permits), status of liens or encumbrances against the Property, authority to enter into transaction and enforceability of the County's obligations in the PSA and Post-Closing Agreements, the County's representation regarding Unauthorized Waste described in Section 7 of this Term Sheet, no violations of other laws and no litigation.

13. Conditions to Closing: The following are conditions precedent to OSU's obligation to close its acquisition of the Landfill site under the PSA (any of which may be waived in OSU's sole discretion):

(a) *Property Partition*. The Property shall be a legal lot, subdivided or partitioned as applicable in accordance with all applicable laws, codes and other regulations. The County shall be responsible for all costs associated with such partition, if necessary, and OSU's reasonable approval of the legal description and property boundaries created by such process shall be required. If a partition or subdivision is needed, the County shall accommodate any reasonable requests that OSU may make in connection with such process, at no additional cost or expense to the County.

(b) *Board Approval*. Approval of the Property acquisition and related transactions and agreements by the OSU President or the OSU Board of Trustees.

(c) *Deed*. Delivery of a Bargain and Sale Deed to OSU conveying good, marketable, insurable (at standard rate) and indefeasible fee title to the Property.

(d) *Title Insurance*. The title company must be prepared to issue to OSU at closing at OSU's expense an ALTA extended coverage owner's form of title insurance policy insuring title to the Property.

(e) *Re-Certification of County's Representations and Warranties*. Both the County and OSU shall, within 10 days after written demand by the other, provide a written certification remaking all of that entity's representations and warranties effective as of the Closing Date. Both the County and OSU may update its representations and warranties as of the Closing Date if either party on its own and without knowledge of the other learns of any new, different or changed information, provided, however, that (i) such update shall not relieve either the County or OSU from any breach of the PSA if such representation or warranty was untrue at the time it was made and (ii) both the County and OSU shall have the right to evaluate any such update and if the new, different or changed information is unacceptable to either, this closing condition shall be deemed unfulfilled and either OSU or the County shall also have the right to terminate the PSA.

(f) *Certification Regarding County Indemnity Cap*. The County shall deliver to OSU at Closing the County Indemnity Cap Certification. OSU shall deliver to the County at Closing the OSU Indemnity Cap Certification.

(g) *Other Conditions*. Other typical closing conditions (including without limitation, all representations and warranties remaining true and correct as of the Closing Date; no County or OSU breaches of the PSA or covenants contained therein; and no material adverse change in the condition of the Property except as may be known to either the County or OSU or caused by acts or omissions of the County or OSU).

14. General Standards for Cooperation. Unless otherwise expressly provided in this Term Sheet, the County will reasonably cooperate with OSU in OSU's due diligence and entitlement activities (in order to facilitate the successful sale of the Property). OSU will reimburse the County for any individual out-of-pocket expenses in this regard in excess of \$50, provided that the County first obtain OSU's consent to any such reimbursable expense before it is incurred. Such cooperation expressly includes the County joining in execution of any applications to modify the Existing SW Permit, subject to the terms of Section 3(c) above. OSU intends to pursue all necessary zoning and planning approvals to construct its campus expansion, including (1) rezone to MU, Mixed-Use Urban Zone as established in the Comprehensive Plan adopted by the City of Bend, and (2) Master Plan and Site Plan and Design Review approval (the "**Entitlements**"). Notwithstanding the foregoing, the County's obligation to cooperate with OSU in connection with its pursuit of the Entitlements shall include signing any and all application materials that are required or reasonably necessary in connection with such Entitlement application process, including without limitation, signing as the property owner on all master plan related application materials. Unless expressly provided otherwise in this Term Sheet, any required consent set forth in this Term Sheet must be in writing and shall not be unreasonably withheld, conditioned or delayed by the party whose consent is required.

15. Exclusive Remedy. Except for rights to seek specific performance and such rights as may be provided by statute, in the event of a breach by either party of its obligations under the PSA or the Environmental Agreement, the sole remedy of the other party shall be to seek indemnity under the indemnification provisions of the PSA or the Environmental Agreement, as the case may be.

16. Jurisdiction and Venue. The PSA and the Post-Closing Agreements shall be governed by and construed in accordance with the laws of the State of Oregon. The exclusive venue for any suit, action or proceeding arising under or related to the PSA or the Post-Closing Agreements shall be the Circuit Court of the State of Oregon for Deschutes County; provided, however, any dispute between OSU the County involving the indemnification provisions of the PSA or the Environmental Agreement shall be subject to binding arbitration as provided in Section 4(h) of Exhibit 9(a) attached hereto.

17. Effect of this Term Sheet. This Term Sheet is not an offer or a legally binding obligation. Rather, this Term Sheet shall serve as a preliminary basis upon which the parties intend to negotiate the PSA. Neither party shall be legally bound until both parties have executed the PSA or other definitive written purchase and sale agreement.

18. Critical Path. The parties agree to use their commercially reasonable good faith efforts to adhere to the following schedule in completing the purchase and sale of the Property:

Exhibit A
Page 9 of 17

Task	Responsible Party	Date
Final Form of Term Sheet	OSU and County	
Initial Draft of PSA	OSU	___ days after Term Sheet finalized
Initial Drafts of Post-Closing Agreements	OSU	___ days after Term Sheet finalized
OSU Board of Trustees Approval	OSU	
Deschutes County Commission Approval	County	
Execution of PSA (this is the "PSA Effective Date")	OSU and County	
End of Due Diligence Period	OSU	
Final Approval of Post-Closing Agreements	OSU and County	
Expiration of First Contingency Items Period (if applicable)	OSU	
Expiration of Second Contingency Items Period (if applicable)	OSU	
Closing	OSU and County	

EXHIBIT 9(a) TO OSU/DESCHUTES COUNTY TERM SHEET

Summary of Key Terms of Environmental Agreement

The Environmental Agreement will be drafted and reviewed by the parties during the Due Diligence Period. It will be one of the Post-Closing Agreements to be executed and delivered by the parties in connection with closing under the PSA. The principal terms of the Environmental Agreement will include the following:

1. Provisions regarding post-closing transition from County's existing DEQ solid waste disposal site permit to the PPA and, to the extent applicable, to OSU's solid waste disposal site permit (consistent with Section 3(c) of Term Sheet).

2. *UAW and Post-Closing UAW Remediation.*

(a) *Conduct of UAW Remediation Work.* All UAW Remediation Work at the Property that is done post-closing conducted by OSU will be subject to partial reimbursement in accordance with the terms of subsection (b) below. For purposes of this Exhibit 9(a), the term "UAW Remediation Work" shall mean work directly related to Remediation of Unauthorized Waste at the Landfill; and the terms "Remediation" and "Remediating" shall include investigation, excavation, collection, segregation, containment, storage, transportation, cleanup, removal, treatment, disposal and all other management of or remedial action with respect to Unauthorized Waste, and "to Remediate" shall mean to engage in Remediation.

(b) *Remediation Work Cost Allocation.* The parties' relative responsibilities for the costs to conduct UAW Remediation Work at the Property (in accord with subsection (c) and subsection (d) immediately below) will be as follows:

(i) Reimbursement for the first \$500,000 of costs incurred by OSU to conduct UAW Remediation Work shall be the responsibility of the County (without any sharing by OSU).

(ii) Any subsequent costs of UAW Remediation Work up to \$2,000,000 in such subsequent costs (not including the first \$500,000 described in Section 2(b)(i) above) shall be divided equally between the County and OSU.

(iii) Under no circumstances shall the County's obligation under this Agreement for payment or reimbursement of UAW Remediation Work at the Property exceed \$1,500,000 (not including the County's ongoing costs associated with maintaining the Existing SW Permit and other obligations of the County described in Section 3 below).

(c) *Grant Funds.* For purposes of determining the County's share of costs of UAW Remediation Work under subsection (b) above, the County will receive a credit equal to 50% of any Net Grant Proceeds. For purposes of this Agreement, "Net Grant Proceeds" means the

gross proceeds of grants (except proceeds of bond financings that may be disbursed as grants) received by OSU, specifically awarded/allocated to UAW Remediation Work at the Property and not previously expended as of the date of discovery of any particular UAW at the Property *minus* OSU's direct and indirect costs (including standard OSU overhead allocation) associated with the application for or receipt of such grant. Specifically and in addition to the grant distribution described immediately above, if after all UAW Remediation Work at the Property is complete, OSU has not fully drawn or used all previously awarded and then available grants that were specifically awarded/allocated to UAW Remediation Work at the Property, prior to forfeiting or returning any such award funds OSU shall, to the extent permissible under the terms of such awards, use and apply the Net Grant Proceeds of such awards as a reimbursement to the County for any costs incurred by the County under subsection b(i) above for which the County has not previously received a credit under this subsection (c).

(d) *Reimbursement.* Any UAW Remediation Work costs that the County is responsible to pay pursuant to Section 2(b) of this Exhibit 9(a) are herein referred to as "**Reimbursable Remediation Costs.**" Notwithstanding any provision of this Exhibit 9(a) to the contrary, if OSU and the Oregon DEQ agree that certain Unauthorized Waste may remain at the Landfill consistent with the PPA, all applicable laws, and OSU's intended use of the Property ("**Permissible UAW**"), then costs to remediate such Permissible UAW will not be included in any calculation of Reimbursable Remediation Costs. No more frequently than once per calendar month, OSU may give the County a written request for either (i) reimbursement to OSU (for previously paid costs) or (ii) direct payment to the applicable contractor conducting UAW Remediation Work for OSU, with respect to the County's share of any unreimbursed Reimbursable Remediation Costs accrued and owing through the date of such notice (a "**Reimbursement Notice**"). It is further agreed that (i) each Reimbursement Notice must identify at least \$5,000 of Reimbursable Remediation Costs, and (ii) together with each Reimbursement Notice, OSU shall provide copies of invoices or other reasonable evidence of the amounts for UAW Remediation Work completed that is subject to reimbursement or payment pursuant to the notice. For purposes of a Reimbursement Notice, reasonable evidence is evidence sufficient to demonstrate that the amounts subject to reimbursement or payment under the notice actually involved UAW Remediation Work as approved by DEQ (and/or as allowed by the PPA). The County will reimburse OSU (or make the requested payment direct to a contractor, as applicable) for the Reimbursable Remediation Costs identified in each Reimbursement Notice within thirty (30) days after the County's receipt of each such notice.

(e) *No Obligation to Remediate.* Notwithstanding any obligation that OSU may have under the PPA or the Solid Waste Permit, if any, OSU shall have no obligation under the PSA or the Environmental Agreement to undertake any particular UAW Remediation Work or to undertake all UAW Remediation Work that could possibly be conducted at the Property. OSU and the County shall pay their respective equal shares for any UAW Remediation Work conducted by OSU as provided in, and subject to the limits of, Section 2(b) above.

3. Pursuant to the Environmental Agreement, the County will be agreeing to continue to maintain and monitor the inactive Landfill, subject to the County's Oregon DEQ solid waste

disposal site permit requirements, until portions of the Landfill are released in phases from the County's solid waste disposal site permit and transferred to the PPA and, to the extent applicable, OSU's new DEQ solid waste disposal site permit (see Section 3(c) of body of Term Sheet). The Environmental Agreement will contain provisions to implement that point. Also, the Environmental Agreement will include a license and other appropriate access rights from OSU to the County to conduct such Landfill maintenance and monitoring activities at the Property at such times, in such manners and in such portions of the Property reasonably specified by OSU that do not interfere with OSU's reclamation, remediation, development and other activities on the Property.

4. *Indemnities to be Effective Following Closing Date.*

(a) *OSU Indemnity of County – First-Party Claims.* OSU will fully and unconditionally indemnify, reimburse and hold the County harmless for, from and against any losses or damages (excluding any consequential damages) incurred by the County to the extent arising from or related to OSU's breach of its obligations under the PSA or any of the Post-Closing Agreements.

(b) *OSU Indemnity of County – Third-Party Claims.* OSU will fully and unconditionally indemnify, reimburse, and hold the County harmless for, from and against any losses or damages (including reasonable costs and attorneys' fees) incurred by the County in connection with third-party claims, singularly caused by remediation activities or any other post-closing activities or omissions of OSU (including activities – negligent or otherwise - of contractors, agents and other persons and entities providing goods or services and/or operating for or on behalf of OSU).

(c) *County Indemnity of OSU – First-Party Claims.* The County will fully and unconditionally indemnify, reimburse and hold OSU harmless for, from and against any losses or damages (excluding any consequential damages) incurred by OSU to the extent arising from or related to the County's breach of its obligations under the PSA or any of the Post-Closing Agreements.

(d) *County Indemnity of OSU – Third-Party Claims.* The County will fully and unconditionally indemnify, reimburse, and hold OSU harmless for, from and against any losses or damages (including reasonable costs and attorneys' fees) incurred by OSU in connection with third-party claims singularly caused by (i) a pre-existing condition of the Property as of the Closing Date (including any condition resulting from the release, disposition, discharge or presence of hazardous materials on, in, under or from the Property) or (ii) negligence or other acts or omissions of the County or any County Representatives while they are on the Property following the Closing Date in connection with the County's activities or obligations under the Environmental Agreement or other Post-Closing Agreement.

(e) *Proportional Indemnification.* Each party will unconditionally indemnify, reimburse, and hold the other party harmless from losses and damages (including reasonable

attorneys' fees) arising from third-party claims related to the Property not addressed by Sections 4(b) or 4(d) above proportionally based on each party's relative responsibility for the claim to the extent it is determined to have been caused by or result from (i) in the case of OSU's indemnity obligation, remediation activities or any other post-closing activities of OSU (including activities of contractors, agents and other persons and entities providing goods or services and/or operating for or on behalf of OSU) and (ii) in the case of the County's indemnity obligation, a pre-existing condition of the Property as of the Closing Date (such as, without limitation, any condition resulting from the release, disposition, discharge or presence of hazardous materials on, in, under or from the Property) or negligence or other acts or omissions of the County or any County Representatives while they are on the Property following the Closing Date in connection with the County's activities or obligations under the Environmental Agreement or other Post-Closing Agreement.

(f) *Exceptions to OSU Indemnity Obligation.* Notwithstanding Sections 4 (a), (b) and (e) above, in no event will OSU have any indemnity obligation to the County to the extent the first-party or third-party loss or claim arises from or relates to any obligation of the County under the PSA or any of the Post-Closing Agreements (including, without limitation, obligations of the County to OSU with respect to Reimbursable Remediation Costs).

(g) *Exceptions to County Indemnity Obligation.* Notwithstanding Sections 4(c), (d) and (e) above, in no event will the County have any indemnity obligation to OSU to the extent the first-party or third-party loss or claim arises from or relates to any obligation of OSU under the PSA or any of the Post-Closing Agreements.

(h) *Expert Arbitration Panel.* To the extent the parties cannot agree on resolution of any indemnity claim under this Section 4 (whether arising from a first-party or a third-party claim), the parties will submit the matter to an expert arbitration panel for resolution. The expert arbitration panel will consist of three individuals, each of whom must have professional education and employment experience sufficient to comprehend the technical and scientific issues presented at arbitration (including, as appropriate, experience in environmental disputes presenting solid waste landfill contamination and remediation issues). One panel member will be selected by OSU. One panel member will be selected by County. The third panel member will be selected jointly by the first two. The decision(s) of the expert arbitration panel will be in writing and supported by both law and fact and will be final and binding on both OSU and the County. If the arbitration panel determines it is necessary to apportion relative responsibility between OSU and the County pursuant to Section (4)(e) above, then the arbitration panel shall consider and its apportionment decision shall be guided by such equitable factors as are appropriate, including the non-exclusive list of equitable factors set forth in ORS 465.257(1). In all cases the costs of the expert arbitration panel will be split equally between OSU and the County. The arbitration award shall include an award to the party determined by the expert arbitration panel to be the party prevailing on the major issues submitted for arbitration of that party's reasonable attorneys' fees and costs incurred in the arbitration. The prevailing party in any suit or action to enforce an arbitration award issued by the expert arbitration panel will be entitled to recover its reasonable costs and attorneys' fees incurred in such arbitration

enforcement action. The arbitration panel's authority shall include the authority to award declaratory relief.

(i) *OSU Indemnity Cap for Third-Party Claims.* In no event will OSU's obligations under Section 8 of the body of this Term Sheet (Indemnity for OSU Pre-Closing Investigation Activities), Section 4(b) above (OSU Indemnity of County – Third-Party Claims) and Section 4(e) above (Proportional Indemnification) exceed \$15,000,000 in the aggregate (the “**OSU Indemnity Cap**”).

(j) *County Indemnity Cap for Third-Party Claims.* In no event will the County's obligations under Section 4(d) above (County Indemnity of OSU – Third-Party Claims) and Section 4(e) above (Proportional Indemnification) exceed 5,000,000 in the aggregate (the “**County Indemnity Cap**”).

5. Provisions regarding County insurance requirements with respect to the County's access to and presence on the Property following the Closing Date in connection with the County's activities or obligations under the Environmental Agreement or other Post-Closing Agreement.

6. Provisions regarding the form of management and documentation of OSU's handling and disposal of any UAW following the Closing Date.

7. Provisions regarding OSU's right to observe and participate in any meetings following the Closing Date between County representatives and regulators relating to the Property or any condition of the Property.

8. Provisions for compliance by the County with laws to protect human health and the environment in connection with the County's access to and presence at the Property following the Closing Date.

9. Provisions for alternative dispute resolution of any disagreement between the County and OSU related to the Environmental Agreement (provided, however, any disputes regarding any governmental law matters are to be resolved by a court of competent jurisdiction).

10. Provisions confirming the relationship of OSU and the County with respect to post-closing activities at the Property as independent contractors and not partners, joint venturers or agents of each other.

11. Provisions regarding the term of years during which the Environmental Agreement will remain in effect, which shall generally be at least 10 years from the Closing Date.

12. Provisions regarding termination of the Environmental Agreement, including which obligations of the Environmental Agreement will survive its termination and the circumstances of such survival.

13. Provision allowing that either party may request non-binding mediation in an effort to resolve any dispute between the parties. Costs of the mediator shall be split equally between the parties.

14. Such other provisions as the parties may agree.

EXHIBIT 9(b) TO OSU/DESCHUTES COUNTY TERM SHEET

Matters to be addressed in Use Agreement

OSU represents that it will make good faith efforts to maintain ownership of the Property except as otherwise provided in the use agreement. OSU is acquiring the Property for expansion of its Cascades Campus. OSU intends to use the Property for such lawful university purposes as may be determined by OSU from time to time, which (i) will include a university campus (“**Campus Use**”) and provided OSU is able to use the Property also includes (ii) other educational, scientific and research purposes, (iii) an innovation district or center that could include mixed uses intended to serve students, faculty, staff and community (e.g., commercial and other ventures, facilities, and activities, and amenities and services, whether or not owned or operated or provided directly by OSU) as per the OSU-Cascades Master Plan, and/or (iv) commercial and other ventures, facilities and activities, and amenities and services outside of the innovation district or center, as per the OSU-Cascades Master Plan (the uses described in (i), (ii), (iii) and (iv) are collectively referred to as the “**Expected Uses**”). Expected Uses shall include the use of recreation facilities, early learning and education facilities, housing, residence halls or other campus facilities for non-student groups, events or activities, whether or not revenue producing.

OSU will proceed in good faith following signing of the PSA to obtain the Entitlements. If, however, following the first to occur of (i) entry of a final order or land use decision that is not subject to further appeal to an Oregon administrative body or court determining that OSU is unable to use any significant portion of the Property for Campus Use, and (ii) OSU determining any time following the tenth anniversary of the Closing Date that OSU is unable to or elects not to effectively remediate the Property for Campus Use (e.g., it is unable to obtain the necessary funding to remediate the Property), OSU may sell, lease or propose other alternatives to recoup its financial investment made in the Property. Upon OSU’s request, the County will in good faith evaluate any such other alternatives that may be suggested by OSU.

If OSU sells, leases or transfers a portion of the Property for any use other than Expected Uses (any such sale, lease or transfer in such case referred to as a “**Liquidating Transfer**”), the net proceeds of any Liquidating Transfer shall be retained or distributed by OSU as follows:

1. First, to OSU until OSU has received return of its entire investment in the Property.
2. Second, 50% to OSU and 50% to the County.

OSU may not sell (Liquidating Transfer) any non-remediated portion of the Property without first obtaining written consent of the County. The County will have the right to conditions its consent upon appropriate assurances (e.g., reasonable indemnity agreement or insurance policy) that the County will be indemnified in a manner and to limits that are at least equal to the level of indemnification provided to the County by OSU. The County will not unreasonably withhold its consent in other circumstances.

OSU's investment to be recovered by OSU in connection with any particular Liquidating Transfer shall be an amount equal to the Proportional Share of the aggregate amount expended by OSU from and after the PSA Effective Date through the date of the Liquidating Transfer in connection with OSU's investigation, acquisition, entitlement, permitting, remediation, reclamation, development or maintenance of the entire Property (but not any other portions of the OSU Cascades campus), whether or not such expenditures would be considered capital in nature under any accounting methodology, including, without limitation, feasibility, engineering, consulting, legal, environmental and other professional fees, and transaction costs in acquiring the Property ("**Aggregate Expenditures**"). For purposes of this calculation, "**Proportional Share**" means the Aggregate Expenditures not recovered by OSU in connection with a previous Liquidating Transfer times x/y , where " x " equals the square feet of the specific unit of land that is the subject of the particular Liquidating Transfer, and " y " equals the total square feet of the entire Property that has not been the subject of a previous Liquidating Transfer. As further explained in Section 2(c) of Exhibit 9(a), Net Grant Proceeds are excluded from any calculation of "investment" for purposes of this Exhibit 9(b).

These net proceeds sharing provisions shall be included in the Use Agreement, but neither the Use Agreement nor any memorandum thereof shall be recorded or otherwise run with the land.

EXHIBIT B

Legal Description of the Property

[to be attached upon completion of Survey and prior to Closing]

Schedule 1

Environmental Terms Supplement

1. Notice and Handling of Indemnity Claims. Any Party asserting an indemnity claim under this Agreement (“**Indemnified Party**”) shall notify the other Party (“**Indemnifying Party**”) of such claim in the manner provided by Section 10.6 of this Agreement within fifteen (15) days of becoming aware of such claim. The notice shall specify with reasonable particularity (to the extent information is available) the factual basis for the claim, including the amount of the claim, if known. If the basis for the Indemnified Party’s indemnity claim is a claim, demand or proceeding asserted or commenced by a third party against the Indemnified Party that the Indemnified Party believes in good faith gives rise to an indemnifiable claim under this Agreement by the Indemnified Party against the Indemnifying Party (“**Third-Party Claim**”), the Indemnified Party shall, within the above-prescribed time period, notify the Indemnifying Party of such Third-Party Claim and shall include with such notice a copy of the claim, demand, complaint or similar notice received by the Indemnified Party from the person(s) or entity(ies) asserting the Third-Party Claim. Except as may be otherwise agreed by the Parties, the Indemnified Party shall undertake defense of a Third-Party Claim through legal counsel of its choice and may settle such matter, with the ultimate responsibility (as between the Indemnified Party and the Indemnifying Party) for the Indemnified Party’s costs of defense, settlement or judgment in such Third-Party Claim to be resolved according to the dispute resolution and other provisions of this Agreement or applicable law. In the case of a Third-Party Claim, the Indemnified Party shall continuously provide the Indemnifying Party reasonable updates and any other information reasonably requested from time to time by the Indemnifying Party. Failure by the Indemnified Party to give notice of a claim to the Indemnifying Party within the above-prescribed time period or to provide the Indemnifying Party with the above-described updates and other information shall not relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure.

2. Post-Closing Maintenance and Monitoring License. As contemplated by Section 3 of Term Sheet Exhibit 9(a), subject to and upon the terms set forth in this Schedule 1, Purchaser hereby grants Seller a limited, non-exclusive license to enter upon the Property post-Closing solely for the limited and sole purpose of carrying out the maintenance and monitoring of the inactive Landfill, if any, in accordance with the terms of Section 3 of Term Sheet Exhibit 9(a) (the “**License**”).

(a) *Term of License.* As contemplated by Sections 11 and 12 of Term Sheet Exhibit 9(a), the License granted under this Agreement shall commence upon the Closing Date and shall continue until the later of (i) the ten (10) year anniversary of the Closing Date, or (b) the “Expiration Date” defined in Section 2(c) below, unless the License term is earlier terminated or suspended pursuant to the terms of Section 2(c) below.

(b) *Indemnity; Repair.* Seller agrees to indemnify, defend, reimburse and hold Purchaser harmless for, from and against any claims, losses, damages (including

reasonable attorneys' fees and costs incurred by Purchaser) and proceedings arising from the exercise of the License rights by Seller and/or its employees, engineers, consultants, contractors, subcontractors and other invitees onto the Property post-Closing (each of Seller and such additional parties being a "Seller License Party" and collectively the "Seller License Parties"). Seller agrees to promptly repair any damage to the Property or any improvements or facilities located on the Property caused by any Seller License Party while exercising the License.

(c) *Termination.* This License shall automatically terminate if and when Seller no longer has an obligation to maintain or monitor the inactive Landfill in accordance with the terms of Section 3 of Term Sheet Exhibit 9(a) (the date of such automatic termination, being the "Expiration Date"). Upon any breach of the terms and conditions pertaining to the License in this Schedule 1, or upon any breach of the Environmental Terms generally, Purchaser may suspend or terminate Seller's License rights hereunder in Purchaser's sole discretion. Any such termination or suspension shall not relieve Seller of its obligations under this Agreement.

(d) *Terms of License Access.* Notwithstanding any provision of the Environmental Terms to the contrary, in connection with Seller License Party's entry upon the Property (whether pursuant to the License or otherwise), each Seller License Party shall minimize any interference with Purchaser's activities and operations upon the Property and, in any event, no Seller License Party shall unreasonably interfere with Purchaser's use and enjoyment of the Property. Upon Closing, Seller will submit to Purchaser a list, description and frequency of routine inspection and monitoring activities that will be conducted at the Property pursuant to the Landfill Solid Waste Permit. This submission will be deemed adequate notification of Seller's License Party access to the Property. In addition, Seller shall submit a description of cover maintenance and repair activities that may be performed on the Property pursuant to the Landfill Solid Waste Permit. Cover repair activities that are required by the Landfill Solid Waste Permit due to a substantial subsidence on the Property that is venting smoke, steam, and/or other landfill gasses into the atmosphere or is deemed by Seller to be a hazardous condition for which Seller would be responsible under the Landfill Solid Waste Permit may be undertaken immediately without advance notice to Purchaser. Notice of such activities will be made to Purchaser as soon as is practical upon determination that such activities are required. Cover maintenance or repair activities that can be delayed in order to provide advance notice to Purchaser will be delayed five (5) business days from the date of notification to the Purchaser. Whether or not Purchaser is provided advance notice of a Seller License Party's entry upon the Property, Purchaser shall have the right to observe any and all activities of any Seller License Party upon the Property pursuant to the License, and Purchaser may arrange for one or more of its employees, consultants, agents or contractors to accompany any Seller License Party entering the Property to perform such activities if Purchaser should so desire.

(e) *Non-Transferrable.* The License is personal to Seller and shall not be transferrable or assignable by Seller, nor shall the License rights run with the land or ownership of the Property.

3. Insurance Obligations. As contemplated by Section 5 of Term Sheet Exhibit 9(a), Seller agrees that prior to entry upon the Property by (i) Seller or its employees, Seller shall procure and maintain at its sole expense insurance of the types and in the minimum amounts set forth on Rider A to this Schedule 1 and (ii) any Seller License Party other than Seller or its employees, such Seller License Party shall procure and maintain at its sole expense insurance of the types and in the minimum amounts set forth on Rider B to this Schedule 1. This insurance must be maintained for the protection of Purchaser for so long as Seller is permitted to enter upon the Property pursuant to the License. In no event shall any Seller License Party be permitted to enter upon the Property unless the insurance requirements of this Section 3 of this Schedule 1 are met. The Seller may self-insure these requirements with respect to itself to the extent allowed by law but the coverage and obligations shall be at least as broad as those provided by the broadest commercially available form of insurance meeting the specifications. Such self-insurance shall not relieve the Seller of the obligation to ensure that its independent contractors (if any) maintain insurance in strict compliance with this Agreement (including Rider B to this Schedule 1).

The indemnification provisions of this Agreement are separate and are not limited by the type of insurance or insurance amounts stated above.

Each of the Seller License Parties shall specify Purchaser as additional insured with coverage as broad as that provided for the named insured on all policies except Workers' Compensation and Employer's Liability. Such insurance shall be primary to and non-contributory with any and all other insurance or self-insurance maintained by Purchaser. Each of the Seller License Parties shall include a waiver of subrogation on all required insurance in favor of Purchaser, its board of trustees, officers, employees, agents, successors and assigns.

Such insurance shall be written by a company or companies licensed to do business in the State of Oregon and satisfactory to Seller. Each Seller License Party shall, prior to entering on the Property, furnish Purchaser with certificates evidencing the maintenance of the above required insurance, for Purchaser's approval. The Seller License Parties' certificates of insurance shall be mailed to Purchaser at the following address: Oregon State University – Cascades, Att'n: Associate VP Finance and Strategic Planning, 1500 SW Chandler Avenue, Bend, Oregon 97702; with a copy to: Oregon State University, Att'n: Director of Real Property, 3015 SW Western Blvd., Corvallis, Oregon 97333.

The insurance certificates shall state the following: "Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions, 30-day Notice of Cancellation applies, except for cancellation for failure to pay premiums in which event 10-day Notice of Cancellation applies."

4. Management of UAW Disposal Post-Closing. As contemplated by Section 6 of Term Sheet Exhibit 9(a), Purchaser shall manage and document its handling and disposal of any UAW that Purchaser handles and disposes of from the Property after the Closing Date in all instances in compliance with applicable permits, agreements, and laws.

5. Meeting Attendance. As contemplated by Section 7 of Term Sheet Exhibit 9(a), Purchaser shall be permitted to observe and participate in any meetings following the Closing

Date, whether formal or informal, between the Seller's representatives and regulators relating to the Property or any condition of the Property. Seller shall provide Purchaser with at least five (5) business days' prior written notice of each such meeting, and Seller shall take such other actions as may be reasonably necessary to permit Purchaser to exercise its rights under this Section 5. Seller shall promptly provide Purchaser with copies of all reports and other information generated with respect to the Property in connection with the exercise of the License rights granted herein (except that Seller shall not be required to provide reports or other information to Purchaser that is attorney work product or that is subject to the attorney-client privilege).

6. Compliance with Laws/Safety. As contemplated by Section 8 of Term Sheet Exhibit 9(a), Seller shall at all times comply and ensure that all Seller License Parties comply with all applicable all laws, rules, regulations, ordinances, permits, governmental orders and other legal requirements in connection with the exercise of the License and the Seller License Parties' entry and activities upon the Property, including, without limitation, complying with the Landfill Solid Waste Permit, as applicable, as well as any applicable laws pertaining to the protection of human health and the environment. In addition, Seller shall be solely responsible for the safety and for the acts and omissions of any Seller License Party engaged in activities on the Property pursuant to the License. Seller, on behalf of itself and all Seller License Parties, acknowledges that Seller and all Seller License Parties are aware and have been properly informed of the nature and extent of the risks that may be present at the Property including, without limitation, risks arising from exposure to hazardous materials that have been released to and may be present on and under the Property.

7. No Agency or Partnership. As contemplated by Section 10 of Term Sheet Exhibit 9(a) and Section 10.5 of this Agreement, Seller's post-Closing entry on the Property and Purchaser's conduct of the post-Closing remediation and disposal work contemplated by the Environmental Terms shall not be construed as making either Party an agent or partner of the other Party.

Rider A to Schedule 1

Insurance Requirements Applicable to Seller

Policy	Amount
<u>Workers' Compensation</u> Oregon Statutory coverage Employer's Liability (including appropriate Federal Acts)	Statutory Limits (Workers' Compensation) \$500,000 each accident, disease or employee (Employer's Liability)
<u>Commercial General Liability</u> Written on a standard ISO form and with no exclusions added by endorsement unless approved in writing. Coverage shall include: Explosion, Collapse and Underground Hazards (XCU Coverage) as appropriate	Minimum limits sufficient to encompass Seller's maximum liability under the Oregon Tort Claims Act
<u>Automobile Liability</u> All autos-owned, hired, or non-owned and, in addition, an MCS-90 endorsement if hauling hazardous substances	Minimum limits sufficient to encompass Seller's maximum liability under the Oregon Tort Claims Act

Rider B to Schedule 1

Insurance Requirements Applicable to Seller License Parties other than Seller

Policy	Amount
<u>Workers' Compensation</u> Oregon Statutory coverage Employer's Liability (including appropriate Federal Acts)	Statutory Limits (Workers' Compensation) \$500,000 each accident, disease or employee (Employer's Liability)
<u>Commercial General Liability</u> Written on a standard ISO form and with no exclusions added by endorsement unless approved in writing. Coverage shall include: Explosion, Collapse and Underground Hazards (XCU Coverage) as appropriate	\$2,000,000 each occurrence, and \$4,000,000 annual and completed operations aggregate
<u>Automobile Liability</u> All autos-owned, hired, or non-owned and, in addition, an MCS-90 endorsement if hauling hazardous substances	\$1,000,000 each occurrence, combined single limit

Schedule 4.3(b)

Seller Net Assets Certification

As contemplated by Section 4.3(b) of the Purchase and Sale Agreement, dated as of November 1, 2017 (the "Agreement"), between Oregon State University ("Purchaser"), and Deschutes County, a political subdivision of the State of Oregon ("Seller"), Seller hereby certifies to Purchaser, and its successors and assigns, that Seller has net assets in excess of the aggregate of (i) the "County Indemnity Cap" of \$5,000,000, as defined and identified in Term Sheet Section 4(j), and (ii) \$1,500,000 in connection with the County's UAW Remediation Work reimbursement obligations pursuant to Sections 2(b)(i) and 2(b)(ii) of Term Sheet Exhibit 9(a). Capitalized terms not defined herein have the meanings set forth in the Agreement and its exhibits and schedules.

IN WITNESS WHEREOF, Seller executes this Certificate as of _____, 201_.

BOARD OF COUNTY COMMISSIONERS OF
DESCHUTES COUNTY, OREGON

_____, Chair

Schedule 4.4(b)

Purchaser Net Assets Certification

As contemplated by Section 4.4(b) of the Purchase and Sale Agreement, dated as of November 1, 2017 (the "Agreement"), between Oregon State University ("Purchaser"), and Deschutes County, a political subdivision of the State of Oregon ("Seller"), Purchaser hereby certifies to Seller, and its successors and assigns, that Purchaser has net assets in excess of the "OSU Indemnity Cap" of \$15,000,000, as defined and identified in Term Sheet Section 4(i). Capitalized terms not defined herein have the meanings set forth in the Agreement and its exhibits and schedules.

IN WITNESS WHEREOF, Seller executes this Certificate as of _____, 201_.

OREGON STATE UNIVERSITY

By _____
Name: _____
Title: _____

Schedule 7.3(a)

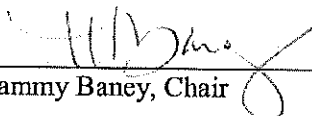
Seller Unauthorized Waste Certification

As contemplated by Section 7.3(a) of the Purchase and Sale Agreement, dated as of November 1, 2017 (the "Agreement"), between Oregon State University ("Purchaser"), and Deschutes County, a political subdivision of the State of Oregon ("Seller"), Seller hereby certifies to Purchaser, and its successors and assigns, that Seller has no actual and specific knowledge as to any Unauthorized Waste on, in, under or migrating from the Property, except as described below. Capitalized terms not defined herein have the meanings set forth in the Agreement and its exhibits and schedules.

None.

IN WITNESS WHEREOF, Seller executes this Certificate as of the Effective Date.

BOARD OF COUNTY COMMISSIONERS OF
DESCHUTES COUNTY, OREGON



Tammy Baney, Chair

Schedule 7.3(b)

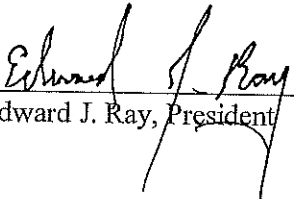
Purchaser Unauthorized Waste Certification

As contemplated by Section 7.3(b) of the Purchase and Sale Agreement, dated as of November 1, 2017 (the "Agreement"), between Oregon State University ("Purchaser"), and Deschutes County, a political subdivision of the State of Oregon ("Seller"), Purchaser hereby certifies to Seller, and its successors and assigns, that Purchaser has no actual and specific knowledge as to any Unauthorized Waste on, in, under or migrating from the Property, except as described below. Capitalized terms not defined herein have the meanings set forth in the Agreement and its exhibits and schedules.

None.

IN WITNESS WHEREOF, Seller executes this Certificate as of the Effective Date.

OREGON STATE UNIVERSITY

By:  _____
Edward J. Ray, President