Instrument # 835202

NEZ PERCE COUNTY

09:38:18 AM No. of Pages: 14 11-13-2015

Recorded for : TONKON TORP LLP * Fee: 49,00

PATTY WEEKS

Ex-Officio Recorder Deputy Cray Campe

Recording Requested By and When Recorded Return to:

JEANETTE SCHUSTER TONKON TORP LLP 888 SW FIFTH AVENUE, SUITE 1600 PORTLAND, OR 97204

SPACE ABOVE THIS LINE FOR RECORDERS USE ONLY

THIS PROPERTY IS SUBJECT TO AN ENVIRONMENTAL COVENANT IMPOSING ACTIVITY AND USE LIMITATIONS PURSUANT TO THE UNIFORM ENVIRONMENTAL COVENANTS ACT, IDAHO CODE § 55-3001, et seq.

ENVIRONMENTAL COVENANT

This instrument is an Environmental Covenant ("Environmental Covenant") executed by Alaska Auto Mall LLC, an Oregon limited liability company ("AAM"), and the Idaho Department of Environmental Quality ("Department") pursuant to the Uniform Environmental Covenants Act, Idaho Code §§ 55-3001 through 3015. This Environmental Covenant sets forth protective provisions, covenants, restrictions and conditions (collectively referred to as "AULs") on the Property described below. The AULs are designed to protect natural resources, human health and the environment. The Department is a "holder" as defined in Idaho Code § 55-3002(6). AAM, as the current property owner grants this Environmental Covenant to all signatories to this instrument.

Property. This Environmental Covenant concerns real property at 1824 Main Street, Lewiston, County of Nez Perce, State of Idaho, within Township 36 North, Range 5 West, Section 31 (hereinafter referred to as "the Property"). The Property is legally described in the attached Exhibit A. The area of the Property subject to the AULs is shown on the map attached as Exhibit B. AAM acquired the Property pursuant to a Warranty Deed recorded as Instrument No. 786400 recorded on November 24, 2010 in the records of Nez Perce County Idaho; a copy of this deed is attached as Exhibit C.

Property Ownership. AAM hereby represents and warrants to the Department that it is the sole owner of the Property, holds fee simple title to the property, and has the power and authority to enter into this Environmental Covenant.

Reason for Activity and Use Limitation. The Property is located directly adjacent to property having an address of 1866 Main Street, which was operated historically as a gas service station and automobile repair shop ("K&F Auto Property"). An affiliate of AAM, Idaho Auto Mall LLC, an Oregon limited liability company ("IAM"), acquired the K&F Auto Property in 2007. The Property and the K&F Auto Property are operated together as an automobile dealership. Together, both properties are "the Kendall Auto Property."

Historic operations at the K&F Property, which included one or more gasoline and/or diesel underground storage tank systems, caused the Property to become contaminated with petroleum constituents.

On November 19, 2009, IAM entered into a Consent Order with the Department to remediate the Kendall Auto Property. IAM implemented a corrective action plan ("CAP") on the Kendall Auto Property. This Environmental Covenant is required because residual concentrations of petroleum hydrocarbon constituents in soil and groundwater remain at the Property at concentrations that are above allowable risk-based levels as determined by the Department. Therefore, future use of the Property shall be limited to protect human health and the environment.

Concurrently with the recording of this instrument, IAM will also record an Environmental Covenant against the K&F Auto Property.

<u>Public Record</u>. A copy of the administrative records for the AAM file, Id. No. 2011BAZ3720, can be found at the Department of Environmental Quality Lewiston Regional Office, 1118 "F" St., Lewiston, ID 83501.

Activity and Use Limitations. By acceptance and recordation of this Environmental Covenant, IAM, and any successors in interest, are hereby restricted from using the Property, now or at any time in the future, as specifically set forth below:

- 1. There shall be no groundwater wells installed or groundwater extracted at the Property for any purpose, including, without limitation, drinking by animals or human beings, irrigation or an industrial or commercial use.
- 2. The Property, and any portion thereof, may be used for commercial and industrial uses only. The Property shall not be used for residential purposes, agricultural purposes, or any permanently occupied human habitation (including hotels or motels), school, day care or hospital use.
- 3. Any excavation of greater than five feet deep on the Property is prohibited without prior written approval from the Department.

Breach and Cure of Activity and Use Limitations. AAM, or its successors in interest, shall be responsible for demonstrating that the use of the Property is in conformity with the AULs. If any event or action occurs that constitutes or may constitute a breach of the AULs, AAM, or any successors in interest, shall notify the Department within thirty (30) days of becoming aware of the event or action, and shall remedy the breach of the AULs within sixty (60) days of becoming aware of the event or action, or such other time frame as may be agreed to by AAM, or any successors in interest, and the Department.

Amendment by Consent. The Environmental Covenant may be amended by consent pursuant to Idaho Code § 55-3010. Except for an assignment undertaken pursuant to a governmental reorganization, assignment of the Environmental Covenant to a new holder is an amendment.

<u>Duration and Termination</u>. The AULs shall apply to the Property, or any subdivided portion thereof, in perpetuity unless terminated by court action as provided in Idaho Code § 55-3009 or by consent pursuant to Idaho Code § 55-3010. AAM, or its successors in interest, may seek consent to terminate the AULs that apply to the Property, or any subdivided portion thereof, pursuant to Idaho Code § 55-3010, by demonstrating with the record before the Department that soils and groundwater concentrations at the Property are below allowable risk-based levels as determined by the Department for unrestricted use.

<u>Provisions to Run With the Land</u>. Each and all of the AULs shall run with the land, and pass with each and every portion of the Property, and shall apply to and bind the respective successors in interest thereof. Each and all of the AULs are imposed upon the entire Property unless expressly stated as applicable to a specific portion of the Property.

<u>Concurrence of Subsequent Owners Presumed</u>. All purchasers, lessees, or possessors of any portion of the Property shall be deemed by their purchase, leasing, or possession of such Property, to be in accord with the foregoing and to agree for and among themselves, and their successors, that the AULs as herein established must be adhered to and that their interest in the Property shall be subject to the AULs contained herein.

Recording/Filing of Environmental Covenant. This Environmental Covenant and any amendment or termination of the Environmental Covenant shall be recorded in the county recorder's office of every county in which any portion of the Property subject to the Environmental Covenant is located. The Environmental Covenant or any amendment or termination shall be recorded by AAM, or its successors in interest, within ten (10) days of receipt of this Environmental Covenant signed by the Department. Within ten (10) days of the recording of this Environmental Covenant, or any amendment or termination, AAM, or its successors in interest, shall provide to the Department a copy of this recorded Environmental Covenant, or any amendment or termination of this Environmental Covenant. Upon receipt of the copy of the recorded Environmental Covenant, and any amendment or termination therein, the Department shall post the copy of the fully executed instrument in the Registry as required by Idaho Code Section 55-3012(1). In addition, a copy of the recorded Environmental Covenant, or any amendment or termination, shall be provided by AAM, or by its successors in interest. to the following persons: (a) each person that signed the Environmental Covenant; (b) each person holding a recorded interest in the Property; (c) each person in possession of the Property; (d) each municipality or other local government in which the Property is located; and (e) any other person the Department requires. The validity of the Environmental Covenant is not affected by failure to provide a copy of the Environmental Covenant as required under this section.

<u>Compliance Reporting.</u> AAM, or its successors in interest, shall submit to the Department on an annual basis written documentation verifying that the AULs remain in place and their compliance with the AULs.

<u>Enforcement</u>. The Department and any party of the Environmental Covenant shall have authority to enforce the AULs against AAM or its successors-in-interest, including subsequent owners of the Property and any other person using the Property. Failure of AAM, or its successor in interest, to comply with any of the AULs set forth herein shall be grounds for the Department, or its successor, and/or any party to this Environmental Covenant to require that the owner correct or remove any violations of this Environmental Covenant. Violation of this Environmental Covenant shall be grounds for the Department, or its successor, and/or any persons identified in Idaho Code § 55-3011 to file civil actions against the AAM or its successors-in-interest, as provided by law or in equity, including without limitation, the Uniform Environmental Covenants Act, Idaho Code § 55-3011.

<u>Non-Waiver.</u> No failure on the part of the Department or any holder at any time to require performance of any term of this Environmental Covenant shall be taken or held to be a waiver of such term or in any way affect the Department's or any holder's rights to enforce such term.

<u>Property Access</u>. The Department shall have a right of access to the Property at reasonable times during business hours for the purposes of evaluating compliance with this Environmental Covenant.

Notice of Conveyance of Property. Within thirty (30) days of the closing of any conveyance of the Property, or part thereof, the conveyor of the Property, shall provide written notice to the Department and each municipality or other local government in which the Property is located, the name and address of all the then owners and/or occupants of the Property, or part thereof, conveyed. The Department shall not, by reason of this Environmental Covenant, have authority to approve, disapprove, or otherwise affect any conveyance of the Property except as otherwise provided by law.

<u>Notices</u>. All notices required or permitted to be given hereunder shall be in writing and mailed in the United States Mail, postage prepaid, by certified or registered mail, return receipt requested, to the appropriate address indicated below or at such other place or places as either party, or its successors may, from time to time, respectively, designate in a written notice given to the other. Notices which are deposited in the United States Mail in accordance with the terms of this provision shall be deemed received three (3) days after the date of mailing thereof.

AAM:

Mr. David E. Blewett, Manager

Alaska Auto Mall LLC

8854 W. Emerald Street, Suite 260

Boise, ID 83704

THE DEPARTMENT:

Idaho Department of Environmental Quality

ATTN: State Response Program Manager

1410 N. Hilton Boise, ID 83706

<u>Costs and Expenses</u>. All costs of terminating this Environmental Covenant, including the cost of any remediation or abatement of any environmental condition related to AULs pertaining to the Property, shall be borne by the party seeking such termination.

<u>Partial Invalidity</u>. If any portion of the Environmental Covenant or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such invalidated portion had not been included herein.

<u>Headings</u>. Headings at the beginning of each section of this Environmental Covenant are solely for the convenience of the parties and are not a part of the Environmental Covenant.

<u>Idaho Code References</u>. All references to the Idaho Code sections include successor provisions.

Reservation of Rights. Notwithstanding any provision of this Environmental Covenant, the Department retains all of its access and enforcement authorities under any applicable statute or rule. Nothing in this Environmental Covenant shall affect the Department's ability to enforce the terms of any voluntary consent order or other agreement relating to remediation of the Property entered into between the Department and AAM or any other responsible party. Nothing in this Environmental Covenant shall affect the obligations of AAM or any other responsible party under such voluntary consent order or other agreement. The Department's acceptance hereunder is based upon the information presently known or available to the Department with respect to the environmental condition of the Property, and the Department reserves the right to take appropriate action under applicable authorities in the event the Department determines new information warrants such action.

AAM hereby reserves on behalf of itself, its representatives, heirs and assigns, and successors all rights accruing from ownership of the Property that are not conditioned, restricted, or prohibited by this Environmental Covenant.

<u>Effective Date</u>. The effective date of this instrument shall be the date the fully executed Environmental Covenant is recorded at the county recorder's office.

Signature and Acknowledgments Accepted: Idaho Department of Environmental Quality Signature: Printed Name: John H. Tippets Title: Director, Idaho Department of Environmental Quality Date: Oct. 27 ,2015 State of Idaho) ss. County of Ada On this 27 day of October 2015, before me, a Notary Public in and for said County and State, personally appeared John H. Tippets, known or identified to me to be the Director of the Idaho Department of Environmental Quality that executed this Environmental Covenant, and acknowledged to me that the Idaho Department of Environmental Quality executed the same. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first att Notary Public for Idaho: Residing at: //amt Commission Expires

Signature and Acknowledgments

Accepted:
Alaska Auto Mall LLC Signature: Printed Name: David E Blewett Title: Manager Date: Ocrober 15th, 2015
State of Idaho)
County of ADA) ss.
On this

acknowledged to me that Alaska Auto Mall LLC executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho: Veronta Palava
Residing at: 8854 W E-erald St Boise 10 83704
Commission Expires: 10/31/20



EXHIBIT A to Environmental Covenant Legal Description for 1824 Main Street, Lewiston, ID

Lots 10 and 11, Wood Street Addition to the City of Lewiston, according to the recorded plat thereof, Official Records of Nez Perce County, Idaho.

Lot 14, except the South 9.5 feet of the West 84 feet; Lots 15 and 16; all in Wood Street Addition to the City of Lewiston, according to the recorded plat thereof, Official Records of Nez Perce County, Idaho.

Lots 17 and 18, Wood Street Addition to the City of Lewiston, Idaho, according to the recorded plat thereof, Official Records of Nez Perce County, Idaho. EXCEPT a division of a portion of Lot 18 of Wood Street Addition to the City of Lewiston, County of Nez Perce, Idaho more particularly described as follows: Commencing at the Northwest corner of Lot 18 of the Wood Street Addition, said point being 40 feet right of Station 40+96.83 for Project MG-7254 (001) 18th Street; thence South 00°07′09″ West along the East right of way line of 18th Street a distance of 26.95 feet, said point being 40 feet right of State 40+69.88; thence on a concave to the Southeast with a long chord bearing of North 50°53′54″ East, a central angle of 101°33′31″ and a radius of 22 feet, a distance of 39 feet, said point being 66.41 feet right of Station 40+91.43; thence North 78°19′20″ West along the South right of way line of Main Street a distance of 26.95 feet to the True Point of Beginning.

That portion of Lot 16 of Thompson's Field between Main and G Streets, described as follows: Commencing at a point on the South side of Main Street, in the City of Lewiston, Idaho, known as the Old Lapwai Road, 280 feet Easterly from the Northeast corner of Lot 13 of Thompson's Field also referred to as Thompson's Addition to the City of Lewiston, generally known as the Old Mudge Property; thence South a distance of 456.6 feet to the North line of "G" Street of the City of Lewiston; thence East along the North line of "G" Street a distance of 132 feet; thence North, parallel with the West line of said property as hereinbefore fixed and defined, a distance of 460.5 feet to the South line of Main Street; thence West along the South side of Main Street a distance of 132 feet to the place of beginning. Official Records of Nez Perce County, Idaho.

Commencing at the monument at the intersection of the centerlines of 18th Street and Main Street; thence South 78°47' East along the centerline of Main Street a distance of 273.0 feet to a point; thence South 0°05 West a distance of 40.76 feet to the South line of Main Street and the True Point of Beginning. thence South 78°47' East along the South line of Main Street a distance of 67.0 feet to a point; thence South 0°05' West a distance of 316.96 feet to a point; thence North 78°44' West a distance of 67.0 feet to a point; thence North 0°05' East, a distance of 316.96 feet, more or less, to the True Point of Beginning. This being part of Lots 9 and 11 and all of Lot 8, Block 16, Thompson's Second Addition to the City of Lewiston, Idaho, according to the recorded plat thereof, recorded in Book 1 of Plats, page 151, Official Records of Nez Perce County, Idaho.

Commencing at the Monument at the intersection of the centerlines of 18th Street and Main Street; thence South 78°47' East along then centerline of Main Street a distance of 273.0 feet to a point; thence South 0°05' West a distance of 357.72 feet to the True Point of Beginning; thence South 78°47' East a distance of 92.19 feet to a point; thence South 0°05' West a distance of 141.3 feet to the North line of "G" Street; thence North 78°44' West along the North line of "G" Street a distance of 92.20 feet to a point; thence North 0°05' East a distance of 140.06 feet to the True Point of Beginning. This being a portion of Lots 6 and 7, Block 16, Thompson's Second Addition to the City of Lewiston, Idaho, according to the recorded plat thereof. Official Records of Nez Perce County, Idaho.

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That part of the East 134 feet of the West 201 feet (measured along the South line of Main Street) of Block 16 of Mrs. S.C. Thompsou's Second Addition to the City of Lewiston, according to the recorded plat thereof, lying North of the South line of Lot 11 of said Block 16, being parts of Lots 9 and 11 and all of 10 of said Block 16. EXCEPTING THREEFROM a portion of Lot 11 conveyed for highway right of way described as: Commence at the Northeast corner of Lot 10 of said Block 16; thence South 78°47' East along the South line of Main Street 58.35 feet; thence South 0°09' West 13.41 feet; thence North 66°35' West 62.34 feet to the Point of Beginning. Official Records of Nez Perce County, Idaho.

EXHIBIT B

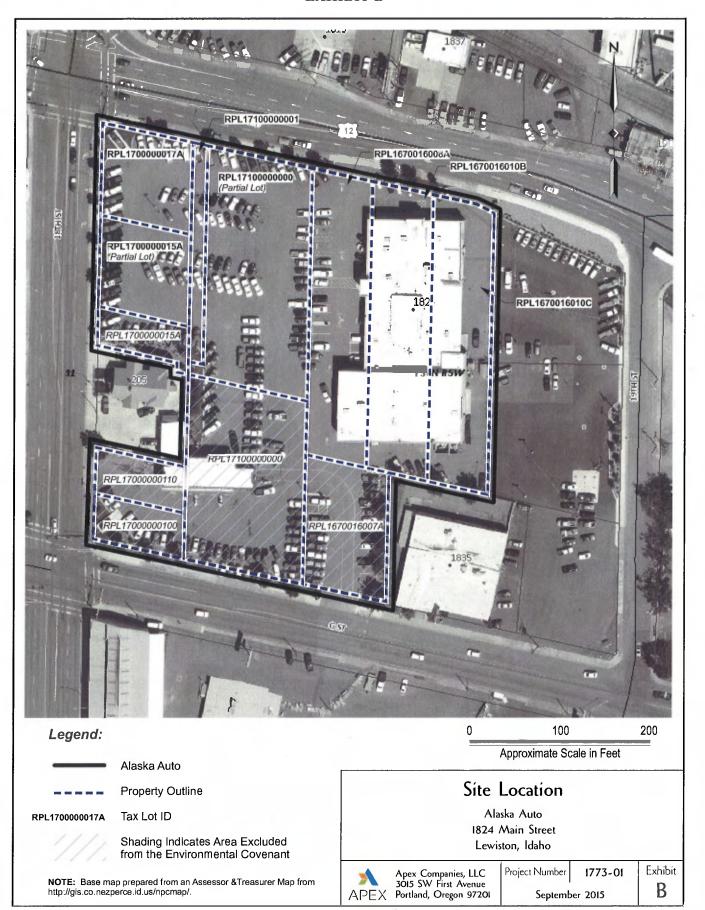


EXHIBIT C 78640

FILED FOR RECORD FEE 1900 REC. BY

2010 NOV 24 AM 9 03

PATTY O. WEEKS RECORDER, NEZ PERCE CO. ID.

BY ______DEPUTY

After recorded return to:

Morris J. Galen
Tonkon Torp LLP
1600 Pioneer Tower
888 SW Fifth Avenue
Portland, OR 97204-2099

Until Change is Requested, Send all Tax Statements to:

Alaska Auto Mall LLC c/o Mr. Andrew Brack P.O. Box 1318 Eugene, OR 97440

Warranty Deed

FOR VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, Idaho Auto Mall LLC, an Oregon limited liability company, Grantor, grants, sells and conveys to Alaska Auto Mall LLC, an Oregon limited liability company, all that real property situated in the City of Lewiston, County of Nez Perce, State of Idaho, more particularly described in Exhibit A attached hereto. Grantor covenants and warrants that the real property is free of claims, restrictions and encumbrances, except restrictions and easements of record.

October 27, 2010

By

IDAHO AUTO MALL LLC

David E. Blewett, Manager

(notary on following page)

EXHIBIT C

786400

Notary Acknowledgement for Warranty Deed

STATE OF OREGON) ss. County of Lane)

This instrument was acknowledged before me on October 2ℓ , 2010, by David E. Blewett, as Manager of Idaho Auto Mall LLC.

OFFICIAL SEAL
TOMYA FIAE WILLCH
NOTARY PUBLIC - CREGON
COMMISSION NO. 447375
MY COMMISSION EXPIRES APRIL 14, 2014

Notary Public for Oregon
My Commission Expires: Od-14-14

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EXHIBIT C

786400

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