BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

UG-____

NORTHWEST NATURAL GAS COMPANY

Application for an Order Determining that the Tualatin Property is No Longer Useful or, in the Alternative, an Order Authorizing the Sale of the Tualatin Property

Exhibit C

April 19, 2013

REAL ESTATE PURCHASE AND SALE AGREEMENT

This Real Estate Purchase and Sale Agreement, together with all exhibits and other documents made a part hereof (collectively, the "Agreement"), dated as of February _____, 2013 (the "Effective Date"), is made by and between AMERCO REAL ESTATE COMPANY, a Nevada corporation (the "Buyer") and NORTHWEST NATURAL GAS COMPANY, an Oregon corporation (the "Seller").

RECITALS

WHEREAS, Seller is the owner of real property located in the City of Tualatin, County of Washington, State of Oregon, which is more particularly described in <u>Exhibit A</u> attached hereto (the "Property").

WHEREAS, Buyer desires to purchase and Seller desires to sell the Property on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, for and in consideration of the purchase price hereinafter set forth, and the mutual covenants and agreements of the parties, the parties covenant and agree as follows:

1. Property to be Conveyed. Seller shall sell and Buyer shall purchase the Property together with the following: (i) all easements, rights-of-way and other rights and benefits running with the Property, if any, which are owned by Seller and which are appurtenant to the Property; and (ii) all buildings, structures, fixtures and other permanent improvements located on the Property.

2. Purchase Price; Terms and Conditions.

2.1 Purchase Price. The total purchase price ("Purchase Price") for the Property shall be Six Million Eight Hundred Thousand and No/100 Dollars (\$6,800,000.00).

2.2 Escrow Money Deposit. Within two (2) business days of the Effective Date, Buyer shall deposit earnest money in the amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00) (the "Earnest Money Deposit"), to be held in an interest-bearing account by Fidelity National Title Company, 900 SW Fifth Avenue, Portland, Oregon 92704, Attn: Karleen Huggins (the "Closing Agent"). The Earnest Money Deposit shall be non-refundable, unless otherwise provided herein. In the event the transactions contemplated by this Agreement close, the Earnest Money Deposit shall be applied to the Purchase Price.

3. Conveyance of Title. Title to the Property shall be conveyed by an Oregon form of special warranty deed (the "Special Warranty Deed") substantially in the form attached hereto as <u>Exhibit B</u>, subject only to the Permitted Exceptions (as such term is defined in Section 5.2 below) and an exception as follows: "All matters that would be shown by a true and correct survey."

4. Feasibility Period.

4.1 Feasibility Period. Buyer shall have ninety (90) days from the Effective Date to review and perform such inspections, assessments, tests and surveys of the Property, as Buyer, shall deem appropriate for the purpose of determining the suitability of the Property (the "Feasibility Period"). Seller grants a license to Buyer and its employees, agents and contractors to enter the Property during the Feasibility Period to conduct such inspections, assessments, tests and surveys. Buyer agrees to indemnify, defend and hold Seller harmless for, from and against any claims, costs, damages or expenses, including court costs and reasonable attorney's fees, arising out of any acts or omissions of Buyer, its employees, contractors or consultants in conducting or carrying out any of the foregoing investigations, inspections or tests. If Buyer determines, in its sole judgment, that the Property is not suitable for any reason for Buyer's intended use or purpose, or is not in satisfactory condition, then Buyer may terminate this Agreement by written notice to Seller prior to the end of the Feasibility Period, in which case neither party shall have any further rights, duties or obligations hereunder. In the event Buyer elects to terminate this Agreement prior to the end of the Feasibility Period, the Earnest Money Deposit and all interest accrued thereon shall be refunded to Buyer. If Buyer does not timely terminate this Agreement prior to the end of the Feasibility Period, the Earnest Money Deposit shall immediately become non-refundable following the end of the Feasibility Period, unless otherwise expressly provided herein.

4.2 Seller's Deliveries. Unless previously delivered to Buyer, within five (5) days after the Effective Date, Seller shall deliver or otherwise make available to Buyer copies of the documents identified in <u>Exhibit C</u> hereto (the "Seller's Documents"). These are the only documents to be provided by Seller to Buyer. Seller makes no representation or warranty of any kind to Buyer as to the accuracy or completeness of the Seller Documents or that such documents are all of the documents (material or not) that Seller has concerning the Property. Buyer acknowledges that Seller is providing the Seller Documents as an accommodation to Buyer and that Buyer shall have no right to rely on any information or conclusions set forth in the Seller Documents. Buyer specifically acknowledges its right to inspect the Property under Section 4.1 of the Agreement and that Buyer is satisfied with such inspection right. Buyer shall promptly return all of the Seller Documents to Seller if Buyer does not waive the conditions to purchase and/or complete the purchase of the Property.

4.3 Buyer's Inspection Obligations. Before entering the Property to perform testing of any kind, Buyer shall provide Seller evidence of commercial general liability insurance (combined single limit, not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate) which policy shall include Seller as an additional insured. Buyer shall not conduct any invasive testing (including soil sampling) of the Property without Seller's prior written consent, which consent Seller shall not unreasonably withhold but which consent may be subject to conditions determined by Seller in Seller's sole discretion.

4.4 The completion of Buyer's purchase of the Property hereunder is subject to final approval by Buyer's Board of Directors. In the event Buyer's Board of Directors does not approve the completion of the purchase of the Property hereunder prior to the end of the Feasibility Period, Buyer shall notify Seller of such non-approval, and Buyer shall have the right to terminate this Agreement prior to the end of the Feasibility Period. Buyer and the signatory for Buyer below represent and warrant to Seller that Buyer has full power and authority to enter into this Agreement (and thus Buyer's representation and warranty in Section 21 below is correct in all respects).

5. Title Commitment; Title Policy.

Title Commitment. Seller shall cause to be delivered to Buyer, within three 5.1 (3) calendar days of the Effective Date, a preliminary title report together with legible copies of all exception documents (the "Title Report") issued by Fidelity National Title (the "Title Company"). On the Closing Date (defined below), Seller shall cause the Title Company to issue (or give its irrevocable commitment to issue as soon as practicable after the Closing Date (defined below)) a Standard Owner's ALTA Title Policy in Buyer's favor in the full amount of the Purchase Price, insuring Buyer's fee simple title to the Property, subject only to those title exceptions listed in this Agreement, such other exceptions as may be approved in writing by Buyer or deemed approved or waived by Buyer, and the standard printed exceptions in the usual form of a Standard Owner's ALTA Title Policy (the "Title Policy"). At Buyer's option, Buyer may purchase an ALTA extended coverage owner's title policy at Buyer's sole expense provided that Buyer shall be solely responsible prior to the end of the Feasibility Period for confirming that the Title Company is willing to issue an extended policy and any conditions to such issuance (and the satisfaction solely by Buyer of any such conditions), and further provided that Seller shall have no obligation whatsoever to execute or provide any other documents or agreements (other than the Title Affidavit set forth in Exhibit G hereto).

5.2 Survey and Title Review. Within ten (10) days following the Effective Date, Buyer may, at its sole cost and expense, cause an ALTA survey (the "Survey") of the Property to be prepared by a licensed engineer. Buyer shall have fourteen (14) days from the date of Buyer's receipt of the Survey, the Title Report, and legible copies of all exception documents therein (but in no event shall such date be after the end of the Feasibility Period described above) (the "Title Review Period") within which to review and either approve or disapprove the Title Report and Survey. If Buyer disapproves of any items appearing in the Title Report or Survey, Buyer may give Seller written notice of the same (a "Title Objection") within the Title Review Period, and within seven (7) days following the Title Review Period, Seller shall advise Buyer in writing (the "Title Response") whether or not Seller is willing or able to remedy any such objections. Seller's failure to provide a timely Title Response constitutes Seller's determination not to remedy any such Title Objections. If Seller is unable or unwilling to remedy any such Title Objections, after Buyer's receipt of the Title Response, Buyer may, at its option, either (i) terminate this Agreement and receive the return of the Earnest Money Deposit, or (ii) waive any such uncured objections, in which event such uncured objections shall be deemed Permitted Exceptions. Buyer's failure to provide such notice in a timely manner shall be deemed an election under clause (ii). "Permitted Exceptions" as that term is used herein, shall be those matters reflected in the Title Report, except those matters that Seller agrees to remove in accordance with this Section 5.2.

6. Disclaimer of Warranties and Covenants.

6.1 SELLER HEREBY SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, OR CONCERNING THE PROPERTY, INCLUDING BUT NOT LIMITED TO (i) THE NATURE AND CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, AND THE SUITABILITY THEREOF AND OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER

MAY ELECT TO CONDUCT THEREON, AND THE EXISTENCE OF ANY ENVIRONMENTAL HAZARDS OR CONDITIONS THEREON (INCLUDING THE PRESENCE OF ASBESTOS) OR COMPLIANCE WITH ALL APPLICABLE LAWS, RULES OR REGULATIONS; (ii) THE NATURE AND EXTENT OF ANY RIGHT-OF-WAY, LEASE, POSSESSION, LIEN, ENCUMBRANCE, LICENSE, RESERVATION, CONDITION OR OTHERWISE; (iii) THE VALUE, COMPLIANCE WITH THE PLANS AND SPECIFICATIONS, SIZE, LOCATION, AGE, USE, DESIGN, QUALITY, DESCRIPTIONS, SUITABILITY, STRUCTURAL INTEGRITY, OPERATION, TITLE TO, OR PHYSICAL OR FINANCIAL CONDITION OF THE IMPROVEMENTS OR ANY OTHER PORTION OF THE PROPERTY, AND (iv) THE COMPLIANCE OF THE PROPERTY OR ITS OPERATION WITH ANY LAWS, ORDINANCES OR REGULATIONS OF ANY GOVERNMENT OR OTHER BODY. BUYER ACKNOWLEDGES THAT IT WILL INSPECT THE PROPERTY AND BUYER WILL RELY SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER. BUYER FURTHER ACKNOWLEDGES THAT THE INFORMATION PROVIDED AND TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND SELLER (i) HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION; AND (ii) DOES NOT MAKE ANY REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. BUYER EXPRESSLY ACKNOWLEDGES THAT, IN CONSIDERATION OF THE AGREEMENTS OF SELLER HEREIN, SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IN RESPECT OF THE PROPERTY. BUYER ACKNOWLEDGES AND AGREES THAT THE PROVISIONS OF THIS SECTION 6.1 WERE A MATERIAL FACTOR IN THE DETERMINATION OF THE PURCHASE PRICE FOR THE PROPERTY.

6.2 Buyer agrees that Seller shall not be responsible or liable to Buyer for any conditions affecting the Property, as Buyer is purchasing the Property AS-IS, WHERE-IS, and WITH ALL FAULTS. Buyer or anyone claiming, by, through or under Buyer, hereby fully releases Seller, its officers, directors, employees, representatives and agents for any cost, loss, liability, damage, expense, demand, action or cause of action arising from or related to conditions affecting the Property. Buyer further acknowledges and agrees that this Agreement shall be given full force and effect according to each of its expressed terms and provisions, including, but not limited to, those relating to unknown and suspected claims, damages and causes of action. This covenant releasing Seller shall be a covenant running with the Property and shall be binding upon Buyer.

6.3 Affirmative Disclosure Regarding UIC. Without limiting the above in any manner, Seller affirmatively discloses to Buyer two letters from the Oregon Department of Environmental Quality (the "DEQ") dated October 22, 2008 and December 4, 2009, respectively (the "DEQ Letters"). The DEQ Letters are attached hereto as <u>Exhibit D</u>. The DEQ Letters involve compliance with Underground Injection Control ("UIC") Regulations and UIC Program Fees (collectively, the "UIC Requirements"). Although the DEQ Letters are addressed to the Company generally and do not identify the Property, Seller affirmatively discloses to Buyer that there are UIC facilities on the Property (the "Property UIC Facilities"), that the UIC Requirements apply to the Property, and that Seller has not brought the Property into compliance with the UIC Requirements. Buyer affirmatively acknowledges that the "as is" condition of the

Property (as referenced herein) specifically includes that the Property is not in compliance with the UIC Requirements. No term or condition of this Agreement or the Lease Back (as such term is defined below) shall obligate Seller to comply with the UIC Requirements now or after Closing. Buyer represents and warrants to Seller that during its due diligence / investigation period, Buyer shall make such inquiry with respect to the Property UIC Facilities and the UIC Requirements as Buyer deems necessary. If and upon Buyer's close on the purchase of the Property, but subject to Seller's UIC Pre-Closing Penalty Retained Liability (as such term is defined below): (a) Buyer shall, at Buyer's sole cost and expense, cause the Property to be in compliance with UIC Requirements, and (b) Buyer shall defend, indemnify and hold Seller harmless from and against any and all claims, costs (including reasonable attorney fees), liabilities, penalties, fines, damages or the like arising from the Property UIC Facilities or the failure of the Property to comply with the UIC Requirements. Notwithstanding anything to the contrary above, Seller agrees, however, that it shall retain liability for any penalties assessed by DEQ against Seller for any period prior to Closing when such penalty is imposed solely for Seller's failure to comply with the UIC Requirements with respect to the Property during the period prior to Closing ("Seller's UIC Pre-Closing Penalty Retained Liability"). For avoidance of doubt, Buyer confirms that the immediately preceding sentence only applies to penalties, and does not impose any liability or obligation on Seller for any liabilities, fines, damages, and the like or any remediation costs incurred by or imposed on Buyer for any time period relating to the UIC requirements. Buyer and Seller specifically acknowledge that the terms of this paragraph shall survive Closing.

6.4 Survival. The foregoing provisions of this Article 6, including the waivers and releases by Buyer, shall survive the Closing and the recordation of the Special Warranty Deed, and shall not be deemed merged into the Special Warranty Deed or other documents and instruments delivered at Closing.

7. Closing.

7.1 Time for Closing. The closing of the transaction herein contemplated (the "Closing") shall take place within ten (10) days following the expiration of the Feasibility Period (the "Closing Date") at the offices of the Closing Agent. On or before the Closing Date, Buyer and Seller shall deposit in escrow with Closing Agent all instruments, documents and monies necessary to complete the transaction herein contemplated in accordance with this Agreement. As of the Closing Date, all appropriate documents shall be recorded and the sale proceeds shall be disbursed to Seller.

7.2 Prorations; Closing Costs. All real estate taxes and assessments (if any) attributable to the Property will be prorated at Closing. Seller will pay all such taxes attributable to any period prior to the Closing Date. Buyer will pay (i) one-half of Closing Agent's closing fee; (ii) the costs of any endorsements to the Title Policy; (iii) the cost of recording the Deed (including the state documentary fee); (iv) all costs incurred by Buyer in connection with Buyer's investigations of the Property; (v) one-half of the Washington County transfer tax; and (vi) Buyer's attorneys' fees. Seller will pay (i) one-half of Closing Agent's closing fee; (ii) the Closing Agent's premium for the Title Policy, excluding the costs of any endorsements thereto; (iii) one-half of the Washington County transfer fee; and (iv) Seller's attorneys' fees.

7.3 **Possession.** Subject to Sections 7.3.1 and 7.3.2 immediately below, Buyer shall be entitled to immediate possession of the Property as of the Closing Date.

7.3.1 Cell Lease. Buyer acknowledges that the Property is subject to a lease with New Cingular Wireless PCS LLC dated December 27, 2006 (as amended, the "Cell Tower Lease"). Notwithstanding any other term or condition of this Lease, Buyer shall purchase the Property subject to the Cell Tower Lease. The rents from the Cell Tower Lease shall be prorated at Closing. At Closing, Buyer and Seller shall execute a lease assignment in the form attached hereto as **Exhibit E** (the "Assignment of Lease").

7.3.2 Seller's Short Term Lease Back. Seller shall have the right (but not the obligation) to lease back the Property after closing subject to a lease that includes the following terms: (i) the term of the lease (the "Lease Term") shall be the date of closing through and including December 31, 2013 provided that Seller may terminate the Lease upon not less than thirty (30) days' notice to Buyer, and (ii) no monthly rent shall be due or payable during the Lease Term. The form of the lease is attached hereto as **Exhibit F** (the "Lease Back"). Seller shall notify Buyer in writing not less than five (5) days prior to closing if Seller shall exercise its lease-back right pursuant to this Section 7.3.2.

7.4 Closing Deliveries of Seller. On or before the Closing Date, Seller shall have executed, or caused to be executed, and delivered to the Closing Agent the following documents, if required by this transaction, in a form reasonably acceptable to Buyer and Seller:

- (a) the Special Warranty Deed;
- (b) the Assignment of Lease;
- (c) the Lease Back;

(d) the Affidavit in favor Fidelity National Title Company in the form attached as **Exhibit G**;

(e) an affidavit of Seller that evidences it is exempt from the withholding requirements of Section 1445 of the Internal Revenue Code of 1986, as amended; and

(f) any instruments called for hereunder which have not previously been delivered.

7.5 Closing Deliveries of Buyer. On or before the Closing Date, Buyer shall have executed, or caused to be executed, and delivered to the Closing Agent the following documents, if required by this transaction, in a form reasonably acceptable to Buyer and Seller:

- (a) the Assignment of Lease;
- (b) the Lease Back;

(c) the balance of the Purchase Price, as adjusted for pro ratas and costs as provided herein; and

(d) any instruments called for hereunder which have not previously been delivered.

8. Remedies.

8.1 Seller's Default. In the event that Seller fails to perform any of the material covenants or agreements contained herein which are to be performed by Seller, which failure is not cured within five (5) days after Buyer's written notice, Buyer may, at its option and as Buyer's sole and exclusive remedy, (i) terminate this Agreement by giving written notice of termination to Seller whereupon the Closing Agent will return the Earnest Money Deposit to Buyer, and Buyer and Seller will be relieved of any further obligations or liabilities hereunder; or (ii) seek specific performance of this Agreement.

8.2 Buyer's Default. In the event that Buyer fails to perform any of the material covenants or agreements contained herein which are to be performed by Buyer, which failure is not cured within five (5) days after Seller's written notice, Seller may terminate this Agreement by giving written notice of termination to Buyer whereupon Closing Agent will pay the Earnest Money Deposit to Seller. The parties have negotiated the amount of the Earnest Money Deposit as a reasonable estimate of the amount of damages to be suffered by Seller in the event of a default by Buyer. The parties agree that the amount of actual damages that Seller would suffer as a result of Buyer's default would be extremely difficult to determine and have agreed, after specific negotiation, that the amount of the Earnest Money Deposit is a reasonable estimate of the Seller's damages and the net detriment that Seller would suffer from a default by Buyer and is intended to constitute a fixed amount of liquidated damages in lieu of other remedies available to Seller and is not intended to constitute a penalty.

8.3 Waiver of Jury Trial. Buyer and Seller hereby waive a right to a jury trial for any claims arising out of this Agreement.

9. Brokerage Fees. Seller represents and warrants to Buyer that it is represented by CresaPartners ("Seller's Broker") and no other real estate broker. Buyer represents and warrants to Seller that it is not represented by a real estate broker. Seller shall be solely responsible for the payment to Seller's Broker of any commission due to Seller's Broker pursuant to a separate agreement between Seller's Broker and Seller.

10. Attorneys Fees. If a suit, action, or other proceeding arising out of or related to this Agreement is instituted by any party to this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees, expert witness fees, and costs incurred in preparing for, prosecuting, or defending any suit, action, or other proceeding, and costs incurred in preparing for, prosecuting or defending any appeal or any suit, action, or other proceeding. This section shall survive Closing and shall survive and remain enforceable notwithstanding any rescission of this Agreement or any determination by a court of competent jurisdiction that all or any portion of the remainder of this Agreement is void, illegal, or against public policy.

11. Notices. Any notice from Seller to Buyer, or from Buyer to Seller, except where otherwise specifically provided, shall be deemed served effective: (i) upon delivery, if personally delivered, (ii) the day following delivery to Federal Express or other similar courier service, marked for next day delivery, addressed as set forth below, (iii) upon receipt if sent by registered or certified mail, return receipt requested, addressed as set forth below, or (iv) upon being sent by facsimile

transmission (as evidenced by a facsimile machine report showing the date, time and correct facsimile number), provided an original is mailed the same day by registered or certified mail, return receipt requested, addressed as set forth below. As a courtesy, each party shall send by email a copy of all notices given hereunder. The notice addresses of the parties are:

If to Buyer:	Jeff Waldrip AMERCO Real Estate Company 2727 N. Central Avenue Phoenix, AZ 85004 Fax: 602-277-5824 Email: jeff_waldrip@uhaul.com
If to Seller:	Steve Walti NW Natural Gas Company Risk, Environment & Land 220 NW 2nd Avenue Portland, OR 97209 Fax No: 503-721-2516 Email: <u>steven.walti@nwnatural.com</u>
With a copy to:	Chris Gram Bateman Seidel Miner Blomgren Chellis & Gram, P.C. 888 S.W. Fifth Avenue, Suite 1250 Portland, Oregon 97204 Fax (503) 972-9951 Email: <u>cgram@batemanseidel.com</u>

12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single instrument, and shall be effective upon execution of one or more of such counterparts by each of the parties hereto. Signature pages may be detached from individual counterparts and attached to a single or multiple original(s) in order to form a single or multiple original(s) of this Agreement.

13. Risk of Loss. Seller shall bear the risk of loss, condemnation, damage or destruction on or before the Closing Date. In the event of any loss or damage to all or any part of the Property, the Buyer shall have the right to terminate this Agreement, in which event the Earnest Money Deposit shall be refunded to the Buyer and each party shall be fully released and discharged from any further obligations under this Agreement.

14. Interpretation. The Parties hereto acknowledge and agree that each has been given the opportunity to independently review this Agreement with legal counsel, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. The Parties have equal bargaining power, and intend the plain meaning of the provisions herein. In the event of an ambiguity in, or dispute regarding, the interpretation of same, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for interpretation against the party who causes the uncertainty to exist or against the draftsman. 15. Assignment. Buyer herein shall not assign this Agreement without prior written consent from Seller. Notwithstanding the immediately preceding sentence, Buyer may assign this Agreement to an affiliated entity, which for the purposes of this Agreement shall mean any entity which directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, Buyer ("Affiliate") provided that: (i) such Affiliate expressly assume in writing each and every obligation of Buyer under this Agreement, (ii) Buyer shall not be released from liability herein and upon such Assignment, Buyer and Affiliate shall be jointly and severally liable for Buyer's obligation hereunder, and (iii) Buyer and Affiliate shall provide Seller a fully executed copy of any assignment agreement.

16. Choice of Law. This agreement shall be governed by and this agreement and any disputes or controversies related hereto shall be interpreted in accordance with the laws of the state of Oregon without regard to the conflicts of law provisions that would apply the laws of any other jurisdiction. In the event of any legal action to enforce the terms of this agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

17. General. This is the entire agreement of Buyer and Seller with respect to the matters covered hereby and supersedes all prior agreements between them, written or oral. This Agreement may be modified only in writing, signed by Buyer and Seller. Any waivers hereunder must be in writing. No waiver of any right or remedy in the event of default hereunder shall constitute a waiver of such right or remedy in the event of any subsequent default. This Agreement shall be governed by the laws of the state of Oregon. This Agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties hereto. If any provision of this Agreement, or the application thereof to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

18. Time. Time is of the essence in this Agreement.

19. Time Calculation, Weekends and Holidays. In computing any period of time set forth in this Agreement, the day of the act, event, or notice after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included unless the last day shall fall on a Saturday, Sunday or federal, state or local holiday. In which case, such act, event or notice shall be deemed timely if performed or given on the next succeeding day that is not a Saturday, Sunday or federal, state or local holiday.

20. Exhibits. All exhibits referenced herein and attached hereto are incorporated herein as if fully set forth.

21. Buyer's Authority. Buyer represents and warrants to Seller that Buyer, and/or the person signing on behalf of Buyer, has full power and authority to execute and perform this Agreement. Upon execution hereof, this Agreement shall be a valid and legally binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

22. Seller's Authority. Subject to Section 23 below, Seller represents and warrants to Buyer that Seller, and/or the person signing on behalf of Seller, has full power and authority to execute and perform this Agreement. Upon execution hereof, this Agreement shall be a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms.

PUC Approval Requirement. Seller's obligation to complete the sale of the 23. Property to Buyer is subject to approval by the State of Oregon Public Utility Commission (the "Commission"). Seller anticipates receiving such final approval on or before the end of the Feasibility Period and will use its reasonable best efforts to obtain such approval. In the unexpected and unlikely event that Seller is unable to obtain the Commission's approval before the end of the Feasibility Period, then: (i) the Sale Agreement shall terminate without further liability to Seller or Buyer (except as provided in (ii) immediately following), and (ii) notwithstanding any other term or condition of the Sale Agreement to the contrary, including provisions deeming the Earnest Money Deposit "nonrefundable," Seller shall immediately return the Earnest Money Deposit to Buyer and Seller shall additionally and promptly reimburse Buyer for all reasonable costs and expenses incurred by Buyer in connection with the proposed purchase of the Property, up to but in no event exceeding For avoidance of doubt, Seller's obligation set forth in the immediately preceding \$25,000. sentence shall only come about if Buyer has timely waived or deemed satisfied its conditions to purchase the Property pursuant to Section 4.1 of the Sale Agreement and Seller did not obtain Commission approval on or before the date that Buyer waived or deemed satisfied such conditions.

24. Oregon Statutory Notice. 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 OWNERS, 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.

IN WITNESS WHEREOF, Seller and Buyer execute this Agreement as of the Effective

SELLER: NORTHWEST NATURAL GAS COMPANY, an Oregon corporation

By: Name: Lea Anne) oo little Its: Sr. Vice Preside

BUYER: AMERCO REAL ESTATE COMPANY, a Nevada corporation

Ву:	
Name:	
Its:	

REAL ESTATE PURCHASE AND SALE AGREEMENT - 11 K:40112/213 TUALATIN SALE/PSA - TUALATIN 2-13-13 (V2.1).DOC

Date.

SELLER: NORTHWEST NATURAL GAS COMPANY, an Oregon corporation

By:	
Name:	
Its:	

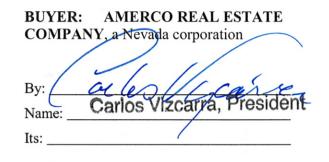


EXHIBIT A

[See attached Property Description]

EXHIBIT A TO REAL ESTATE PURCHASE AND SALE AGREEMENT K:\40112\213 TUALATIN SALE\PSA - TUALATIN 2-13-13 (V2.1).DOC

PRELIMINARY REPORT

(Continued)

Order No.: 20130068528-FTPOR01

EXHIBIT "ONE"

PARCEL 1: Lot 33, TUALATIN VALLEY HOMES, in the City of Tualatin, County of Washington and State of Oregon.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon by Deed recorded February 18, 1941, in Book 196, Page 309, Deed Records.

ALSO EXCEPTING THEREFROM that portion conveyed to the State of Oregon, by and through its State Highway Commission by Deed recorded April 13, 1973, in Book 919, Page 45, Deed Records.

ALSO EXCEPTING THEREFROM the following:

Beginning at an iron pipe which bears North 38°35' West 12.80 feet from the most Easterly Southeast corner of Lot 33, TUALATIN VALLEY HOMES, said iron pipe also being in the Southwesterly right of way of Hazel Fern Road; thence South 51°25' West, parallel with the Southeasterly line of said Lot 33, a distance of 150.00 feet to an iron pipe; thence South 38°35' East 12.80 feet to a point on said Southeasterly line; thence North 51°25' East along said Southeasterly line 150.00 feet to the most Easterly Southeast corner of said Lot 33 and a point in said right of way Hazel Fern Road; thence North 38°35' West 12.80 feet along said right of way to an iron pipe and the point of beginning.

ALSO EXCEPTING THEREFROM that portion conveyed to the City of Tualatin by Dedication Deed recorded March 4, 1994, Recording No. 94-021176.

PARCEL 2: Lot 34, TUALATIN VALLEY HOMES, in the City of Tualatin, County of Washington and State of Oregon.

TOGETHER WITH that portion of vacated SW Gailbreath Way which inured thereto by reason of Washington County Ordinance No. 65-11, recorded July 22, 1965, in Book 561, Page 466.

EXCEPTING THEREFROM the following:

Beginning at the Northeast corner of said Lot 34; thence from said point of beginning, Southeasterly along the West line of McEwan Road, also known as Hazel Fern Road, 187.2 feet; thence Southwesterly parallel to the Northwesterly line of Lot 34, a distance of 150 feet to a point; thence Northwesterly parallel to the Northeasterly line of Lot 34, 187.2 feet to an iron pipe; thence Northeasterly 150 feet on the division line between Lots 33 and 34 to the place of beginning.

ALSO EXCEPTING THEREFROM that portion conveyed to the City of Tualatin by Dedication Deed recorded March 4, 1994, Recording No. 94-021176.

PARCEL 3:

A) A portion of Lot 33, TUALATIN VALLEY HOMES, in the City of Tualatin, County of Washington and State of Oregon, described as follows:

Beginning at an iron pipe which bears North 38°35' West 12.80 feet from the most Easterly Southeast corner of Lot 33, TUALATIN VALLEY HOMES, said iron pipe also being in the Southwesterly right of way of Hazel Fern

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PRELIMINARY REPORT (Continued)

Order No.: 20130068528-FTPOR01

Road; thence South 51°25' West, parallel with the Southeasterly line of said Lot 33, a distance of 150.00 feet to an iron pipe; thence South 38°35' East 12.80 feet to a point on said Southeasterly line; thence North 51°25' East along said Southeasterly line 150.00 feet to the most Easterly Southeast corner of said Lot 33 and a point in said right of way Hazel Fern Road; thence North 38°35' West 12.80 feet along said right of way to an iron pipe and the point of beginning.

EXCEPTING THEREFROM that portion conveyed to the City of Tualatin by Dedication Deed recorded March 4, 1994, Recording No. 94-021176.

B) A portion of Lot 34, TUALATIN VALLEY HOMES, in the City of Tualatin, County of Washington and State of Oregon, described as follows:

Beginning at the Northeast corner of Lot 34, TUALATIN VALLEY HOMES; running thence from said point of beginning, South and East along the West line of Hazel Fern Road 87.20 feet; thence Southwesterly parallel to the Northwesterly line of Lot 34, a distance of 150 feet to an iron peg; thence Northwesterly parallel to the Northeasterly line of Lot 34, 87.20 feet to an iron peg; thence Northeasterly on division line between Lots 33 and 34, to the place of beginning.

EXCEPTING THEREFROM that portion conveyed to the City of Tualatin by Dedication Deed recorded March 4, 1994, Recording No. 94-021176.

PARCEL 4: A portion of Lot 34, TUALATIN VALLEY HOMES, in the City of Tualatin, County of Washington and State of Oregon, described as follows:

Beginning at the Northeast corner of Lot 34, TUALATIN VALLEY HOMES; thence Southeasterly along the Westerly line of McEwan Road, also known as Hazel Fern Road, 87.2 feet to the true point of beginning of the tract herein described; thence continuing Southeasterly along the Westerly line of the McEwan Road 100 feet to a point; thence Southwesterly parallel to the Northwesterly line of Lot 34, a distance of 150 feet to a point; thence Northwesterly line of Lot 34, 100 feet to a point; thence Northeasterly on a line parallel to the division line between Lots 33 and 34, 150 feet to the true point of beginning.

EXCEPTING THEREFROM that portion conveyed to the City of Tualatin by Dedication Deed recorded March 4, 1994, Recording No. 94-021176.

PARCEL 5: Lot 35, TUALATIN VALLEY HOMES, in the City of Tualatin, County of Washington and State of Oregon.

TOGETHER WITH that portion of vacated SW Gailbreath Way which inured thereto by reason of Washington County Ordinance No. 65-11, recorded July 22, 1965, in Book 561, Page 466.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon, by and through its State Highway Commission by Deed recorded December 19, 1940 in Book 194, Page 690.

ALSO EXCEPTING THEREFROM that portion conveyed to the State of Oregon, by and through its State Highway Commission by Deed recorded April 13, 1973, in Book 919, Page 45, Deed Records.

PARCEL 6: That part of Lots 36 and 37, TUALATIN VALLEY HOMES, in the City of Tualatin, County of Washington and State of Oregon, lying Southeasterly of the West Portland-Hubbard Highway.

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PRELIMINARY REPORT (Continued)

Order No.: 20130068528-FTPOR01

TOGETHER WITH that portion of vacated SW Gailbreath Way which inured thereto by reason of Washington County Ordinance No. 65-11, recorded July 22, 1965, in Book 561, Page 466.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon, by and through its State Highway Commission by Deed recorded April 13, 1973, in Book 919, Page 45, Deed Records.

PARCEL 7: A parcel of land lying in Lots 43 and 44, TUALATIN VALLEY HOMES, in the City of Tualatin, County of Washington and State of Oregon, lying Southeasterly of a line parallel with and 125 feet Southeasterly of the center line of the Pacific Highway (formerly the West Portland-Hubbard Highway) which center line is referred to in that Deed to the State of Oregon, by and through its State Highway Commission, recorded in Book 194, Page 446, of Washington County Book of Records.

EXCEPTING THEREFROM that portion deeded to the State of Oregon, by and through its State Highway Commission in Deed recorded February 15, 1973, in Book 909, Page 745, of Washington County Book of Records.

ALSO EXCEPTING THEREFROM dedicated to the City of Tualatin, by deed recorded March 4, 1994, as Recording No. 94-021176.

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EXHIBIT B

[Form of Special Warranty Deed]

Northwest Natural Gas Company, Grantor 220 NW 2nd Avenue Portland, OR 97209

AMERCO REAL ESTATE COMPANY, Grantee

Until a change is requested, all tax statements shall be sent to the following address:

After recording, return to:

Attention:

Attention:

SPECIAL WARRANTY DEED

NORTHWEST NATURAL GAS COMPANY, an Oregon corporation, GRANTOR, conveys and specially warrants to **AMERCO REAL ESTATE COMPANY**, a Nevada corporation, GRANTEE, the real property described in <u>Exhibit A</u> attached hereto free of all encumbrances created or suffered by Grantor, other than those encumbrances specifically set forth in <u>Exhibit B</u> attached hereto [Insert list of specific Permitted Exceptions in Exhibit B] and such matters that would be disclosed by a true and correct survey.

The true consideration for this conveyance is Six Million Eight Hundred Thousand and No/100 Dollars (\$6,800,000.00).

SIGNING OR BEFORE 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, THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. 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

PAGE1. SPECIAL WARRANTY DEED

EXHIBIT B TO REAL ESTATE PURCHASE AND SALE AGREEMENT K:\40112\213 TUALATIN SALE\PSA - TUALATIN 2-13-13 (V2.1).DOC

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 DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, 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.

IN WITNESS WHEREOF, the Grantor has executed this instrument on this _____ day of _____, 2013.

NORTHWEST NATURAL GAS COMPANY, an Oregon corporation

			Ву:				
			Name:				
			Title:				
STATE OF	OREGON)					
County of _) ss.)					
Thi	s instrument	was acknowledg	ged before	me	of Morthy	2013, west Nat	by ural

Gas Company.

Notary Public for Oregon My commission expires: _____

PAGE2. SPECIAL WARRANTY DEED

EXHIBIT C

[Seller's Documents]

- 1. AT&T (New Cingular Wireless) Tower Lease Dec 2006
- 2. AT&T Address Change
- 3. AT&T Tower site modification, "CD's for PT38 AWE Boones Ferry I-5"
- 4. State Letter regarding City of Tualatin Surface Water management and bio-swale
- 5. Bio-Swale design proposal and alternative solutions
- 6. Tualatin UST removal reports and State approvals
- 7. Dry Well options and proposals
- 8. Tualatin Center Expenses, Jan 2011 to last quarter 2012
- 9. Drawings: Existing elevations Bldg A
- 10. Drawings: Existing elevations Bldg B C
- 11. Drawings: MGA01-Topo Sur (1)
- 12. Drawings: MGA01-Topo Sur (2)
- 13. Drawings: MGA01-Topo Sur (3)
- 14. Drawings: Tualatin Main Building Detail
- 15. Drawings: Tualatin Main Building Floor Plan
- 16. Drawings: Tualatin Shops Plan
- 17. Drawings: Tualatin Site Plan
- 18. Drawings: Tualatin Building A Plan
- 19. Drawings: Tualatin Building B C Plan

EXHIBIT D

[See attached DEQ Letters]

EXHIBIT D TO REAL ESTATE PURCHASE AND SALE AGREEMENT K:\40112\213 TUALATIN SALE\PSA - TUALATIN 2-13-13 (V2.1).DOC



Department of Environmental Quality Headquarters 811 SW Sixth Avenue Portland, OR 97204-1390 (503) 229-5696 FAX (503) 229-6124 TTY (503) 229-6993

October 22, 2008

NW Natural Gas PO Box 6017 Portland, OR 97228

Re: Notice to Comply with Underground Injection Control (UIC) Regulations and UIC Program Fees

The purpose of this notice is to advise you that Underground Injection Control (UIC) systems such as dry wells, drill holes, soakage trenches, and infiltration galleries used to manage stormwater or discharge other fluids below the ground are regulated in Oregon by the Oregon Department of Environmental Quality (DEQ) under Oregon Revised Statutes (ORS) 468B.195-197 and Oregon Administrative Rules (OAR) 340-044.

The UIC Program is a federal program under the Safe Drinking Water Act and is administered by DEQ to protect groundwater from pollution. The use of UIC systems is prohibited unless the activity is approved by DEQ through Authorization by Rule or allowed under an individual Water Pollution Control Facilities (WPCF) permit issued by DEQ. Authorization by Rule requirements, including monitoring and reporting, are provided in OAR 340-044-0018.

Many owners or operators registered their UIC systems and did not submit a complete Authorization by Rule application, respond to DEQ's request for additional information, or obtain approval for their systems. Many owners or operators also installed UIC systems or allowed installation of new UICs without applying for registration and obtaining authorization.

The Federal Safe Drinking Water Act has no "grandfather clause." Therefore, owners or operators of UIC systems without Authorization by Rule or a WPCF permit are not in compliance with state rules and federal regulations. DEQ in the past has lacked funding and resources for the UIC program and to adequately notify you of the regulatory compliance requirements or to pursue appropriate compliance actions.

Because DEQ has not previously conducted much work in this area, we prefer to give owners and operators of UICs a chance to bring themselves into compliance before we initiate enforcement. Therefore, DEQ has now set forth the enclosed internal management directive stating if owners or operators disclose that they own or operate a UIC system without authorization and if they meet the conditions of this directive, including obtaining Authorization by Rule or applying for a WPCF permit and paying applicable fees, they will not receive a penalty from DEQ for failing to obtain prior authorization for ownership or operation of a UIC system. Please note that the directive and penalty waiver applies only to UIC systems disclosed to DEQ between now and December 31, 2008. Operating a UIC system without applying for Authorization by Rule or a WPCF permit

October 22, 2008 Page 2 of 3

after December 31, 2008 will be considered a violation subject to formal enforcement and penalties.

The 2007 Oregon Legislature passed House Bill (HB) 2118 authorizing DEQ to collect fees to regulate UIC systems. Fees authorized by HB 2118 are explained in the enclosed Fact Sheet. Unless an owner or operator submitted a complete Authorization by Rule registration application on or before September 15, 2007, the fees established in HB 2118 apply. Owners or operators who submitted a complete registration application on or before September 15, 2007, the fees established in HB 2118 apply. Owners or operators who submitted a complete registration application on or before September 15, 2007, but could not meet requirements for rule authorization are exempt from the registration fee. These owner or operators must submit an individual WPCF permit application with appropriate permit application fees or close the UICs. UIC closures are subject to the decommissioning fee established in HB 2118.

Fees must accompany the Authorization by Rule or WPCF permit application. The Authorization by Rule application fee for the complex category is \$300 for each UIC. In addition, the annual compliance fee of \$100 for each UIC must be submitted with the application. For example:

- To register and obtain authorization by rule for 50 new (or previously unregistered) UICs in the complex category, the fee would be \$15,000 (50 x \$300).
- The annual compliance fee for 50 UICs in the complex category would be \$5,000 (50 x \$100).
- The total fees to be submitted for the first year would be \$20,000 (\$15,000 + \$5,000).
- Each subsequent year would have an annual compliance fee of \$5,000 (50 x \$100).

Alternatively, you may apply for an individual WPCF permit. The permit application fee under OAR 340-045-0075, Table 70C is \$9,445. The annual compliance fee of \$1,943 must also accompany the permit application for a total permit fee of \$11,388.

To assist you with applying for either an Authorization by Rule or for a WPCF permit, information on the UIC categories and the application forms is available at the following web site links:

Authorization by Rule (Stormwater at local Governments): http://www.deq.state.or.us/wq/uic/docs/forms/municipalf.pdf

Authorization by Rule (Stormwater at Businesses): http://www.deq.state.or.us/wq/uic/docs/forms/stormwaterf.pdf

Authorization by Rule (General industrial; and Commercial site, includes process wastewater):

http://www.deq.state.or.us/wq/uic/docs/forms/generalf.pdf

WPCF Permit:

http://www.deg.state.or.us/wg/wgpermit/docs/forms/wpcfappl.pdf

If you have decommissioned any UICs and have not notified DEQ prior to or after decommissioning the system, please visit our web site to obtain the UIC decommissioning form (<u>http://www.deq.state.or.us/wq/uic/docs/forms/preclosuref.pdf</u>). The UIC decommissioning form

October 22, 2008 Page 3 of 3

applies to a UIC system already decommissioned but not registered or authorized, or a system to be decommissioned. You must provide the decommissioning sampling data and closure report signed by an Oregon licensed professional engineer or registered geologist in accordance with OAR 305-044-0040. If you have decommissioned a UIC system and did not sample it, please contact DEQ. The one-time \$100 fee for each UIC decommissioned must be submitted with the application. Decommissioned UIC systems are not subject to the annual compliance fee.

If you do not have UICs or have any questions regarding this letter or the UIC program, please contact the UIC Program Coordinator, Barbara Priest, at 503-229-5945.

Sincerely,

Judy Johnash

Judy Johndohl Water Quality Program Manager Community and Program Assistance Section

 cc: Dave Belyea, Water Quality Manager, DEQ - Western Region Office, Salem Beth Moore, Acting Water Quality Manager, DEQ - Northwest Region Office Eric Nigg, Water Quality Manager, DEQ - Eastern Region Office, Bend Rodney Weick, Stormwater and Underground Injection Control Manager, DEQ -Northwest Region Office
Barbara Priest, UIC Program Coordinator, DEQ - Northwest Region Office

Enclosures: UIC Internal Management Directive UIC Fee Fact Sheet

THE DEPARTMENT OF ENVIRONMENTAL QUALITY'S INTERNAL MANAGEMENT DIRECTIVE ON ELIMINATING PENALTIES FOR UNAUTHORIZED OPERATION OF AN UNDERGROUND INJECTION CONTROL (UIC) SYSTEM USED FOR DISPOSING STORMWATER

I. PURPOSE

This internal management directive (directive) is designed to enhance protection of human health and the environment by encouraging Owners and Operators of underground injection control (UIC) systems used for the disposal of stormwater to voluntarily discover, disclose, and obtain authorization for those systems; and to begin operating those UIC systems in compliance with applicable restrictions, limitations, monitoring, reporting and oversight requirements. Owners and Operators that disclose under this directive and meet the conditions will not receive penalty from DEQ for failing to obtain prior authorization for ownership or operation of the system.

II. AUTHORITY

Oregon Administrative Rule (OAR) 340-012-0160(2) provides that "the director may reduce any penalty by any amount the director deems appropriate if the respondent has voluntarily disclosed the violation to the department."

III. APPLICABILITY

- 1) This directive applies to assessment of penalties for failing to obtain prior authorization for ownership or operation of UIC systems used to dispose of stormwater.*
- 2) This directive applies only to UIC systems disclosed to DEQ between the effective date of this directive and December 31, 2008.*
- 3) This directive sets forth factors for DEQ staff to consider in deciding whether to refer violations for civil penalty assessment. It takes into account DEQ's views as to the proper allocation of its enforcement resources. This directive is not final agency action and is intended as guidance. It does not create any rights, duties, obligations, or defenses, implied or otherwise, in any third parties.
- 4) This directive applies to assessing penalties in both administrative and civil judicial enforcement actions, and for determining when criminal referral is appropriate. It is not intended for use in pleading, at hearing or at trial.

^{&#}x27;Owners and operators of other unauthorized UIC systems wishing to reduce or eliminate penalties by coming into compliance may wish to consult DEQ's Internal Management Directive on Self-policing, Disclosure, and Penalty Mitigation, available at <u>http://www.deq.state.or.us/programs/enforcement/SelfPolDisPen.pdf</u>.

Page 1 - Fall 2008 Stormwater UIC Internal Management Directive for penalty elimination

5) DEQ retains its authority to seek any injunctive relief that it deems necessary, regardless of the level of harm, potential harm, or lack thereof.

IV. DIRECTIVE AND CONDITIONS

If an Owner or Operator discloses that it owns or operates a UIC system without authorization and if the Owner or Operator demonstrates to the Department's satisfaction that it meets all of the conditions below, the Director expects DEQ staff to refrain from issuing an Assessment of Civil Penalty and from referring the violation for criminal investigation or prosecution.

- <u>Window of applicability</u>. The Owner or Operator disclosed the UIC system to DEQ between the effective date of this directive and December 31, 2008. Disclosures must be made in writing and submitted to Barbara Priest, Northwest Region, DEQ, 2020 SW 4th Ave., Portland, OR 97201-4987.
- <u>Types of UIC systems to which the directive applies.</u> The UIC system is or was primarily used to dispose of stormwater from roads, roofs, parking lots, or any other impermeable surface.
- 3) <u>Correction of violation(s)</u>. The Owner or Operator corrects the violation by (i) applying for an Individual UIC Water Pollution Control Facility (WPCF) Permit as specified in OAR 340-044-0035, (ii) obtaining Authorization by Rule by rule by meeting the applicable requirements set forth in OAR 340-044-0018, or (iii) abandoning the UIC system as specified in OAR 340-044-0040. The Owner or Operator must also pay applicable application fees pursuant to ORS 468B.196 or as otherwise required by statute or rule.
- 4) <u>Compliance with OAR 340-044</u>. Until the UIC system is permitted, authorized, or abandoned, the Owner or Operator must, to the extent practicable, properly operate and maintain its UIC facilities, including UIC and treatment and control systems, in a manner that ensures groundwater resources are protected from pollutants entrained in stormwater at all times as required by Oregon's groundwater protection rules (OAR 340-040).
- 5) <u>Absence of Harm</u>. The UIC did not create a potentially imminent and substantial endangerment of public health or the environment. The Owner or Operator must implement best management practices that meet the requirements established in OAR 340-040-0020(11), which includes implementing the highest and best practicable technologies among other considerations.
- 6) Expeditious mitigation. The Owner or Operator takes appropriate measures to remedy, on its own accord or as specified by DEQ, any adverse health or environmental consequences resulting from its discharges of untreated stormwater into a UIC system. The Department may require that, to satisfy this condition, an Owner or Operator enter into a publicly-available written agreement, administrative consent order, variance, or judicial consent decree, particularly where compliance or remedial measures are complex or a lengthy schedule for attaining and maintaining compliance or remediating harm is required. In meeting this condition, the Owner or Operator does not need Department approval before correcting the violation; however, the Department retains sole discretion to determine whether the Owner or Operator took appropriate measures.

Page 2 - Fall 2008 Stormwater UIC Internal Management Directive for penalty elimination

- 7) <u>Reporting</u>. After disclosing the UIC to DEQ, the Owner or Operator meets, in a timely fashion, all legal reporting requirements as specified in OAR 340-044. The Owner/Operator reports any the water quality standard violation to DEQ within 5 days of the date it had reason to suspect the violation.
- 8) <u>Cooperation.</u> The Owner or Operator cooperates as requested by the Department and provides information as necessary and requested by the Department to determine compliance with this directive. Cooperation includes, at a minimum, providing all requested documents, except documents subject to a state statutory or common law privilege, access to employees, and assistance in further investigations into the violation and other compliance issues of the regulated entity related to the disclosure.

V. INTERPRETATION

The terms and provisions of this directive are subject to reasonable interpretations of the Department.

VI. EFFECTIVE PERIOD

This directive is effective from the date below until December 31, 2008.

9-17-08

Date

Johi Hammond Acting Deputy Director

Page 3 - Fall 2008 Stormwater UIC Internal Management Directive for penalty elimination





Department of Environmental Quality Northwest Region Portland Office 2020 SW 4th Avenue, Suite 400 Portland, OR 97201-4987 (503) 229-5263 Fax: (503) 229-6945 TTY: (503) 229-5471

Certified Mail No.: 7007 0710 0000 1655 2793

December 4, 2009

NW Natural Gas PO Box 4709 Portland, OR 97208

Re: Warning Letter with Opportunity to Correct

We believe your organization is operating one or more systems that manage stormwater by injecting it into the ground using horizontal and/or vertical perforated pipes. If this not correct, we need to hear from you or we will take the actions outlined later in this letter. If your organization is operating one of these systems, called a Underground Injection Control (UIC), then please take the steps outlined below to register, permit or close your UIC.

In September and October 2008, the Department of Environmental Quality (DEQ) sent you a letter about complying with state regulations if you have a UIC system such as a dry well, drill hole, soakage trench, or infiltration gallery used to manage stormwater or discharge other fluids below the ground surface. State and federal regulations require either "authorization by rule" or a permit to operate a UIC. The use of UIC systems is regulated in Oregon by DEQ under Oregon Revised Statutes (ORS) 468B.195-197 and Oregon Administrative Rules (OAR) 340-044 and is prohibited unless the activity is approved by DEQ in writing. Operating a UIC system without DEQ authorization can subject the owner to civil and/or criminal penalties.

The letter sent to you notified owners and operators of UICs that DEQ would temporarily hold off from initiating enforcement action, including penalties for continuing violations, and asked that you either obtain the proper approval, or notify DEQ that you do not have any UIC systems. The letter also informed you that motor vehicle waste drains are prohibited. As of October 30, 2009, we have not received a response from you or follow-up action to comply with the water quality requirements for UICs. In accordance with water quality protection rules, we are beginning the enforcement process.

You are receiving this Warning Letter with Opportunity to Correct because you have not responded to the previous notice, or you have responded but failed to comply in the meantime.

To avoid this enforcement action, including potential penalties, you must submit to DEQ one of the alternatives listed below in writing or email by January 29, 2010:

- Submit a signed statement that you do not have any UIC systems;
- Submit a complete application and applicable fees for Authorization by Rule. A description of the qualifications for authorization by rule and a link to the appropriate forms and fact sheets can be found at http://www.deq.state.or.us/wq/uic/uic.htm;

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December 4, 2009 Page 2

• Submit a complete application for an Individual WPCF-N permit. A description of the requirement to obtain an individual permit and a link to the appropriate forms can be found at http://www.deq.state.or.us/wq/uic/permits.htm. The completed application must also include the required permit application fee of \$9,445 and an annual compliance determination fee of \$1,943 for a total fee of \$11,338;

Submit a statement describing the type or types of UIC systems you own or operate and explain why you cannot submit either the application for authorization by rule or for the permit; or

• Submit the information DEQ requested from you if you already submitted a partial application for authorization by rule or for a WPCF permit.

Certain types of injection systems are prohibited as defined in OAR 340-044-0015, including cesspools, injection systems where motor vehicle wastes can enter the system such as automotive shops, fire station bays and fueling pump islands, and agricultural drains. If you own or operate one of these, you will be required to discontinue use and decommission the well in accordance with the requirements stated in OAR 340-044-0040.

If you believe you have received this letter in error, please contact us immediately in writing or by email. If you have questions regarding authorization by rule please contact David Cole at 503-229-6371 (cole.david@deq.state.or.us). If you have questions regarding WPCF permits please contact Barbara Sellars at 503-229-5619 (sellars.barbara@deq.state.or.us).

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Sincerely,

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Rodney Weick Stormwater and UIC Manager DEQ, Northwest Region

Joni Hammond, Acting Deputy Director, DEQ
Neil Mullane, Water Quality Division Administrator, DEQ - Headquarters
Regional Division Administrators, DEQ

EXHIBIT E

ASSIGNMENT OF LESSOR'S INTEREST UNDER LEASE

THIS ASSIGNMENT OF LESSOR'S INTEREST UNDER LEASE (this "Assignment") is made and entered into as of this _______, 2013 (the "Effective Date"), by and between Northwest Natural Gas Company, an Oregon corporation ("Assignor"), and Amerco Real Estate Company, a Nevada corporation ("Assignee").

RECITALS

This Assignment is entered into on the basis of and with respect to the following facts, agreements and understandings:

A. Assignor, as Lessor, and New Cingular Wireless PCS, LLC, as Lessee, entered into that certain Lease dated ______, as amended (the "Lease"). The Lease affects a portion of the real property descried in Exhibit A, attached hereto (the "Property").

B. By an instrument dated of even date herewith and to be recorded, Assignor has sold and conveyed its fee interest in and to the Property to Assignee and, in conjunction therewith, Assignor has agreed to assign its interest as Lessor under the Lease to Assignee and Assignee has agreed to assume the obligations of the Lessor under the Lease, all as more particularly set forth in this Assignment.

NOW, THEREFORE, for good and valuable consideration, including the mutual covenants and agreements set forth herein, Assignor and Assignee agree as follows:

1. Assignment.

Assignor hereby sells, assigns, grants, transfers and sets over to Assignee, its heirs, personal representatives, successors and assigns, all of Assignor's right, title and interest as Lessor under the Lease.

2. <u>Acceptance of Assignment and Assumption of Obligations.</u>

Assignee hereby accepts the assignment of the Lessor's interest under the Lease and, for the benefit of Assignor, assumes and agrees faithfully to perform all of the obligations which are required to be performed by the Lessor under the Lease, from and after the date of this Assignment.

3. Effective Date.

The effective date of this Assignment and each and every provision hereof is and shall be the Effective Date set forth above.

PAGE 1. ASSIGNMENT OF LESSOR'S INTEREST UNDER LEASE

4. <u>Assignor's Indemnity of Assignee.</u>

Assignor hereby agrees to defend (with counsel reasonably satisfactory to Assignee) and indemnify Assignee, its heirs, personal representatives, successors and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of or resulting from any act or omission committed or alleged to have been committed by Assignor as Lessor under the Lease, including without limitation any breach or default committed or alleged to have been committed by the Lessor under the Lease, prior to the date of this Assignment.

5. Assignee's Indemnity of Assignor.

Assignee, for itself and on behalf of its heirs, personal representatives, successors and assigns, hereby agrees to defend (with counsel reasonably satisfactory to Assignor) and indemnify Assignor, its partners, and their respective directors, officers, employees, agents, representatives, successors and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of or resulting from any act or omission committed or alleged to have been committed by Assignee, as Lessor under the Lease, including without limitation any breach or default committed or alleged to have been committed by the Lessor under the Lease, on or after the date of this Assignment.

6. <u>Successors and Assigns.</u>

This Assignment, and each and every provision hereof, shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

7. <u>Governing Law.</u>

This Assignment shall be construed and interpreted and the rights and obligations of the parties hereto determined in accordance with the laws of the State of Oregon.

8. <u>Headings and Captions.</u>

The headings and captions of the paragraphs of this Assignment are for convenience and reference only and in no way define, describe or limit the scope or intent of this Assignment or any of the provisions hereof.

9. <u>Gender and Number.</u>

As used in this Assignment, the neuter shall include the feminine and masculine, the singular shall include the plural and the plural shall include the singular, as the context may require.

10. Multiple Counterparts.

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

PAGE 2. ASSIGNMENT OF LESSOR'S INTEREST UNDER LEASE

EXHIBIT E TO REAL ESTATE PURCHASE AND SALE AGREEMENT K:\40112\213 TUALATIN SALE\PSA - TUALATIN 2-13-13 (V2.1).DOC

IN WITNESS WHEREOF, the parties hereto have executed this Assignment on the respective dates set forth below their signatures, but this Assignment on behalf of such party shall be deemed to have been dated as of the date first above written.

ASSIGNOR:

Northwest Natural Gas Company, an Oregon corporation

By:_____

Print Name: _____

Print Title:

ASSIGNEE:

Amerco Real Estate Company, a Nevada corporation

By:_____

Print Name: _____

Print Title: _____

PAGE 3. ASSIGNMENT OF LESSOR'S INTEREST UNDER LEASE

EXHIBIT A

[Legal Description]

ASSIGNMENT OF LESSOR'S INTEREST UNDER LEASE - LEGAL DESCRIPTION

EXHIBIT E TO REAL ESTATE PURCHASE AND SALE AGREEMENT K:\40112\213 TUALATIN SALE\PSA - TUALATIN 2-13-13 (V2.1).DOC

EXHIBIT F

[See attached Lease Back Form]

EXHIBIT F TO REAL ESTATE PURCHASE AND SALE AGREEMENT K:\40112\213 TUALATIN SALE\PSA - TUALATIN 2-13-13 (V2.1).DOC

LEASE AGREEMENT

1. <u>THE PARTIES</u>: This Lease, dated for reference only, [Insert Closing Date] between Amerco Real Estate Company, a Nevada Corporation (hereinafter referred to as Lessor) and, Northwest Natural Gas Company, a Oregon Corporation, (hereinafter referred to as Lessee).

2. <u>WITNESSETH</u>: That for and in consideration of the mutual covenants, promises, and agreements set forth herein, the Lessor and Lessee do covenant, promise, and agree as follows:

3. **<u>PREMISES</u>**: The Lessor hereby leases to the Lessee and Lessee hereby takes and leases from the Lessor, for the term, at the rental and upon all conditions set forth herein, the real property situated in the County of Washington and State of Oregon.

COMMONLY KNOWN AS: 7100 SW McEwan, Tualatin, OR, consisting of approximately 10.27 acres of land and three buildings totaling 110,250sf building. Real property is hereinafter referred to as the "Premises."

For avoidance of doubt, the Premises do not include the cell tower site currently leased to New Cingular Wireless PCS LLC pursuant to a lease dated December 27, 2006.

4. <u>USE</u>: Lessee hereby accepts the Premises subject to applicable zoning, municipal, county, state and federal laws, ordinances and regulations governing and regulating the Lessee's Permitted Use (as such term is defined below) of the Premises. Lessee acknowledges that neither Lessor nor Lessor's agent has made any representation or warranty as to the suitability of the Premises for the conduct of the Lessee's business.

The Lessee will use the Premises for the use made by Lessee prior to Lessee's sale of the Premises to Lessor in connection with its natural gas distribution business (the "Permitted Use"). Lessee will not use the Premises for any other purpose without the prior written consent of the Lessor. The Lessee covenants and agrees that it will not use or permit the Premises, or any part thereof, to be used for any unlawful or illegal purposes.

5. **TERM:** The term of this Lease shall be from the date set forth above through and including December 31, 2013. Notwithstanding the foregoing, Lessee may terminate this Lease at any time upon at least thirty (30) days' written notice to Lessor.

6. **<u>RENT</u>**: There will be no rental amount charged to Lessee during the term of this Lease.

7. SHORT TERM NATURE OF THE LEASE: Lessor and Lessee acknowledge that this Lease is being executed as a condition of that certain Real Estate Purchase and Sale Agreement dated February ______, 2013 (the "Sale Agreement"). Lessor acknowledges that no provision of this Lease is intended to impose any obligation or liability on Lessee except to the extent that such obligation or liability arises from events solely occurring during the term of this Lease and as a result of Lessee's failure to comply with an explicit provision of this Lease. Lessor further acknowledges that no term of this Lease is intended to diminish the effect of the so called "as is" provisions or other limitations on Lessee's liability (as seller) contained in the Sale Agreement. Without limiting any other term or condition of this Lease, to the extent that any provision of this Lease imposes an obligation on Lessee requiring compliance as to the condition of the Premises with any legal requirement of any federal, state or local government or governmental agency, Lessee shall have the right to terminate the Lease upon not less than five (5) days written notice so that Lessee is not required to comply with the same, provided however, that Lessee shall not be entitled to exercise the termination right if such compliance requirement resulted directly and solely because of an affirmative act taken by Lessee or Lessee's agent during the term.

8. <u>UTILITIES</u>: Lessee shall pay for all gas, heat, light, power, telephone and other utilities and services supplied to the Premises during the term, together with any taxes thereon.

9. <u>TAXES</u>: Lessee shall pay before delinquency any and all taxes, assessments and public charges levied or assessed and which become payable during the term hereof upon the land and improvements constituting the Premises. The amount of taxes to be paid will be the prorated monthly amount set forth in the closing statement for Lessee and Lessee shall pay the same on a monthly basis in arrears.

10 **ORDINANCES & REGULATIONS:** As to, and only as to, and for avoidance of doubt subject to Section 7 above, Lessee shall, at its sole cost and expense, comply with all requirements of all state, federal and local laws, ordinances, regulations, industry standards and orders now or hereafter in force that pertain to the Permitted Use of the Premises (and not relating to a general use of the Premises or the Premises' condition). Subject to the limitation in the immediately preceding sentence, this includes compliance with all municipal, state and federal laws, ordinances, industry standards, regulations and orders relating to industrial hygiene, environmental protection, or the use, analysis, generation, manufacture, storage, disposal, or transportation of hazardous or regulated substances as to Lessee's Permitted Use during the term of this Lease. In particular, during the term, Lessee is prohibited from discharging gas, oil or other hazardous materials through any type of drainage system located on the Premises which is connected to the municipal wastewater treatment plant. Lessee authorizes Lessor to take any action reasonably necessary to correct Lessee's failure to comply, at Lessee's expense, that arises from Lessee's failure to comply with any such requirement in any material manner.

Lessee assumes responsibility for acts or omissions of Lessee, or authorized agent of Lessee, that specifically and solely arise out of Lessee's use of the Premises during the term hereof.

Lessee shall at its own expense procure, maintain in effect, and comply in all material respects with all conditions of any and all permits, licenses, and other governmental and regulatory approvals necessary for Lessee's Permitted Use of the Premises.

Notwithstanding, however, any other term or condition of this Lease and for avoidance of doubt, in no event shall Lessee be required to comply with or pay for (directly or indirectly) any requirements with respect to the Underground Injection Control requirements of any federal, state or local governmental agency nor shall Lessee be liable for any liability, fine, obligation, or penalty relating to Underground Injection Control Requirements (and any failure to comply with the same) imposed for any portion of the Lease term.

11. <u>MAINTENANCE, REPAIRS, ALTERATIONS</u>: Lessee accepts the Premises "AS IS", and Lessor shall have no responsibility to make any repairs to or alterations of the Premises. Subject to: (i) the condition of the Premises as of the commencement of the term, (ii) reasonable wear and tear, and (iii) casualty (including so called "acts of God") and condemnation, Lessee, at Lessee's expense, shall keep the Premises in good order, condition, and repair the Premises and every part thereof, including, without limiting the generality of the foregoing, all plumbing, heating, air conditioning, ventilating, electrical and lighting facilities and equipment within the Premises, fixtures, interior walls and interior surface of exterior walls, ceilings, windows, doors, plate glass, showcases, skylights, entrances and vestibules located within the Premises (collectively, the "Building Elements") and the costs of maintenance of all sidewalks, grounds, fences, and signs located in the areas which are adjacent to and included with the Premises (the "Appurtenances"). Each of Lessor and Lessee agree that nothing in this Lease will be construed to require Lessee to make any capital improvements to the Premises or to replace any of the Building Elements or the Appurtenances. If Lessee fails to perform Lessee's obligations under this section, Lessor may at Lessor's option enter upon the Premises and put the same in good order, condition and repair, and the cost thereof shall be due and payable as rent to Lessor.

At the end or other termination of this Lease, Lessee shall surrender and deliver up the Premises to Lessor in broom clean condition. Lessee agrees to correct any environmental damage solely caused by Lessee or Lessee's agents during the term and due to Lessee's use of the Premises during the term hereof.

Lessee shall not, without Lessor's prior written consent, (except for non-structural alterations, not exceeding \$5,000.00 in cost) make any alterations, improvements, additions, utility installations, (including power panels) in, on or about the Premises, however, said consent shall not unreasonably be withheld by Lessor. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use in the Premises, which claims are or may be secured by any mechanic's or material-man's lien against the Premises or any interest therein, Lessee shall give Lessor not less than 10 days' notice prior to the commencement of any work on the Premises, and Lessor shall have the right to post notices of non-responsibility in or on the Premises as provided by law. All alterations, improvements, additions or fixtures, other than Lessee's trade fixtures, which may be made in or on the Premises at the expiration of the lease term, unless otherwise mutually agreed to in writing by both parties.

12. **INSURANCE:** Lessor and Lessee shall at all times maintain general liability insurance with policy limits of not less than **ONE MILLION and NO/100 DOLLARS (\$1,000,000.00)**. The policy limits shall not be less than **FIVE HUNDRED THOUSAND and NO/100 DOLLARS (\$500,000.00)**, for any one incident. Lessor acknowledges that Lessee retains (self-insures) the first five hundred thousand dollars of liability insurance. Lessee shall provide Lessor with a Certificate of Insurance showing coverage in effect, and showing Lessor as additionally insured and a Certificate Holder, and any failure by the Lessor in requesting a current Certificate does not constitute a waiver of, or relieve the continuing obligation of Lessee to submit copy of said Certificate of Insurance. Lessor and Lessee shall at their own respective cost and expense insure their respective properties against fire and casualty loss. For avoidance of doubt, Lessor shall be obligated to maintain so called "fire" or "property damage" insurance on the Premises, including all buildings located thereon.

13. SUBORDINATION AND NON-DISTURBANCE: This Lease and all rights of Lessee hereunder. shall be and are hereby subordinate in all respects to the lien or charge of any mortgage, deed of trust, deed to secure debt and/or other security interest (any of the foregoing, a "Security Interest") granted or conveyed with respect to the Premises or any portion thereof to the holder of any such Security Interest, whether now existing or hereafter be placed on or affecting the Premises or Lessor's interest or estate therein, and to each advance made and/or hereafter to be made under any such Security Interest, and to all renewals, modifications, consolidations, replacements and extensions thereof and all substitutions therefore, provided Lessee in return shall receive a reasonable Non-disturbance Agreement from the entity requesting said subordination, and Lessee shall agree to attorn to said party. In confirmations of such subordination, Lessee shall and hereby agrees to promptly execute and deliver any reasonable certificate, statement or subordination agreement acknowledging or confirming such subordination that Lessor and/or any benefited party under the Security Interest, together with respective successors and assigns, may request. Notwithstanding the foregoing, however, it is agreed that the provisions of this Section 13 are self-operative and that no such certificate, statement or subordination agreement shall be necessary in order to effect the subordination of this Lease to the lien of the Security Instrument. Lessee also agrees that at the request of Lessor, Lessee shall provide any third party with a reasonable estoppel certificate confirming the terms and conditions of this Lease and certifying as to the status of the Lease. Lessee acknowledges that the terms of this Section 13 are material provisions of this Lease and that the breach of this Section 13 by Lessee shall constitute a material breach of this Lease.

14. LESSOR'S LIEN: [Intentionally Omitted].

15. <u>WAIVER OF SUBROGATION RIGHTS</u>: Neither the Lessor nor the Lessee shall be liable to the other for loss, either direct or consequential, arising out of damage to or destruction of the Premises, the

building or improvement of which the Premises are a part, or the contents of any thereof, when such loss is caused by an act of God or any of the perils which are or could be included within or insured against by a form of property insurance. All such claims for any and all loss however caused, hereby are waived. Said absence of liability shall exist whether or not the damage or destruction is caused by the negligence of either party or by any of their respective agents, servants or employees. It is the intention and agreement of both parties that the each party shall look to this respective insurance carriers for reimbursement of any such loss, and further, that the insurance carriers involved shall not be entitled to subrogation under any circumstances against any party to this Lease. Neither party shall have any interest or claim in the other's insurance policy or policies, or the proceeds thereof.

16. **DAMAGE OR DESTRUCTION:** If the Premises are destroyed or damaged such that Lessee can no longer reasonably use any portion of the Premises, the Lease may be terminated at the option of either party as of the date of occurrence of such damage.

17. **NOTICE:** Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered whether actually received or not when deposited in the United States Mail, postage prepaid, registered mail, return receipt requested, addressed to the parties hereto at the respective addresses set out opposite their names below, or at such other address as they have heretofore specified by written notice delivered in accordance herewith:

LESSOR:

Amerco Real Estate Company 2727 NORTH CENTRAL AVENUE SUITE 500 PHOENIX, AZ 85004

(602) 263-6555/FAX (602) 277-5824

LESSEE: NW Natural Gas Company 222 NW 2nd Ave. Portland, OR 97209 Attention: Manager- Risk & Land Dept.

WITH A COPY TO: NW Natural Gas Company 222 NW 2nd Ave. Portland, OR 97209 Attention: General Counsel

If the address or phone number where either party may be contacted is changed, such party will immediately notify the other party of the change in writing.

18. **INDEMNITY:** The Lessee will indemnify, defend and save harmless the Lessor from and against any and all losses, liability, damages, or other actions arising from injury of persons or personal property on or about the Premises, when caused in whole or in part by the act or omission of Lessee or its directors, officers, employees, agents, attorneys, successors, affiliated companies, independent contractors or assigns that occurs exclusively during the term hereof, unless the fault or negligence of the Lessor or its partners, directors, officers, employees, agents, attorneys, successors, affiliated companies, independent contractors or assigns, shall have been the cause of such injury or damage. 19. **PERSONAL PROPERTY:** All personal property in the Premises shall be and remain at the Lessee's sole risk, and the Lessor shall not be liable for any damage to or loss of such personal property arising from acts of negligence of any other person or from any buildings, fixture or equipment or any cause whatsoever, nor shall the Lessor be liable for any injury to the Lessee or any other person in or about the Premises.

20. <u>ASSIGNMENT, SUBLETTING</u>: Lessee agrees not to transfer or assign this Lease or sublet the whole or part of the Premises without the prior written consent of the Lessor, who shall have the option of holding the Lessee fully liable under this Lease. Written consent of the Lessor shall not be unreasonably withheld, however, the purposes for which the assignee intends to use the Premises or an increase in the possibility of a release of a hazardous or regulated substance as a result of the assignment may be a reasonable basis for refusal of the assignment.

21. <u>CONDEMNATION</u>: If the whole of the Premises, or such portion thereof as will make the Premises unusable for the purpose herein leased, be condemned by any legal constituted authority for any public use or purpose, then in either of the said events the term hereby granted shall cease from the time when possession thereof is taken by public authorities, and rental shall be accounted for as between Lessor and Lessee as of that date. Such termination, however, shall be without prejudice to the rights of either Lessor or Lessee to recover compensation and damage caused by condemnation from the condemnor. It is further understood and agreed that neither the Lessor nor Lessee shall have any rights in any award made to the other by any condemnation authority.

22. DEFAULT: The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Lessee: (a) The failure by Lessee to make any payment of rent or any other payment required to be made by Lessee hereunder, as and when due, where such failure shall continue for a period of twenty (20) days after written notice thereof from Lessor to Lessee. (b) The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Lessee, (where such failure shall continue for a period of twenty (20) days after written notice thereof from Lessor to Lessee: provided, however, that if the nature of Lessee's default is such that more than twenty (20) days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commences such cure within said twenty (20) day period and thereafter diligently prosecutes such cure to its completion). (c) (I) the making by Lessee of any general assignment, or general arrangement, for the benefit of creditors; (II) filing by or against Lessee of a petition to have Lessee adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy; (III) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, or (IV) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or Lessee's interest in this Lease.

23. **REMEDIES:** In the event of any such material default or breach by Lessee, Lessor may at any time thereafter, with or without notice or demand and without limiting Lessor in the exercise of any other right or remedy which Lessor may have by reason of such default or breach: (a) immediately re-enter and remove all persons and property from the Premises, storing property in a public warehouse or elsewhere at Lessee's expense without liability on the part of the Lessor. (b) Should Lessor elect to re-enter as herein provided, or should Lessor take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Lessor may terminate this Lease. (c) Collect by suit or otherwise each installment of rent or other sum as it becomes due or enforce by suit or otherwise any covenant or condition or term of this Lease required to be performed by Lessee. (d) Terminate this Lease in which event Lessee agrees to immediately surrender possession of the Premises and to pay Lessor all damages Lessor may incur by reason of Lessee's default including the cost of recovering possession of said Premises.

24. **<u>HOLDOVER</u>**: It is agreed and understood that any holding over by the Lessee of the Premises at the expiration of this Lease shall not be allowed.

2/15/2013

25. <u>WAIVER</u>: No waiver by Lessor of any provision hereof shall be deemed a waiver of any other provision. Lessor's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to or approval of any subsequent acts by Lessee.

26. <u>ACCESS/ENTRY</u>: The Lessor or its representative shall have the right to enter the Premises at reasonable times and upon reasonable prior written notice to inspect and examine the Premises. Lessor will not interrupt the day to day operations of the Lessee.

27. <u>THE AMERICANS WITH DISABILITY ACT</u>: Title III of the Americans with Disabilities Act (ADA) prohibits discrimination against individuals with disabilities by public accommodations and in commercial facilities. Lessee is solely responsible for ensuring that Lessee's activities on the Premises are in compliance with the ADA. Further, Lessee is leasing the Premises "AS IS" and Lessor shall have no responsibility to make any repairs or alterations to the Premises to comply with the ADA.

28. MISCELLANEOUS PROVISIONS:

28.1 Whenever the singular number is used in this Lease and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and the word "person" shall include corporation, firm or association. If there be more than one Lessee or Lessor, the obligations imposed under this Lease upon Lessee or Lessor shall be joint and several.

28.2 This instrument contains all the agreements and conditions made between the parties to this Lease and may not be modified orally or in any other manner than by an agreement in writing signed by all the parties to this Lease or their respective successors in interest.

28.3 Time is of the essence of each term and provision of this Lease.

28.4. The terms, provisions and covenants and conditions contained in this Lease, shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, and assigns of Lessor and Lessee.

28.5 If either party to this Lease, brings an action to enforce the terms, hereof or declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to its reasonable attorney's fees to be paid by the losing party as fixed by the court.

IN WITNESS WHEREOF, Lessor has executed this Lease on ______, 2013.

LESSOR: Amerco Real Estate Company, a Nevada Corporation

WITNESS

By: Carlos Vizcarra Its: President

IN WITNESS WHEREOF, Lessee has executed this Lease on ______, 2013.

LESSEE: Northwest Natural Gas Company

WITNESS

By: Gregg S. Kantor Its: President and CEO

EXHIBIT G

[See attached Title Affidavit]

EXHIBIT G TO REAL ESTATE PURCHASE AND SALE AGREEMENT K:\40112\213 TUALATIN SALE\PSA - TUALATIN 2-13-13 (V2.1).DOC



Fidelity National Title Company of Oregon 900 S.W. Fifth Avenue, Portland, OR 97204 (503)222-2424 FAX (503)227-2274

DATE: ESCROW NO: 20120047439 PROPERTY ADDRESS: 2020 SW 4th Ave., Portland, Oregon 97201

APPLICATION FOR TITLE INSURANCE AND INDEMNITY

STATE OF OREGON

County of Multnomah

Regarding property (the "Property") described in Preliminary Report No._____ dated issued by Fidelity National Title Company of Oregon (the "Report").

Northwest Natural Gas Company ("Applicant") represents to the Fidelity National Title Company of Oregon that to Applicant's actual knowledge:

- The Property is free and clear of all loans, liens (including Federal or State liens and judgment liens), taxes, and existing monetary encumbrances ("Liens"), except those referred to in the Report.
- There have been no improvements, alterations, or repairs to the Property which remain unpaid. There are no unrecorded construction liens or State of Oregon unemployment compensation liens or worker's compensation liens against the Property.
- 3. No judgment or decree which remains unsatisfied has been entered in any court against Applicant.
- 4. There are no current assessments for local improvements and/or current special assessments against the Property. There are no existing unpaid liens in favor of any city, county, service district, or port authority or unpaid service charges for the water system or the sewer system serving the Property.
- 5. The Property at this date is in the possession of Applicant and New Cingular Wireless PCS, LLC (cell tower lease).

I understand that the title insurance company is relying on this Application For Title Insurance And Indemnity to provide title insurance.

APPLICANT AGREES TO PAY ON DEMAND ALL AMOUNTS OWING ON ALL LIENS NOT SHOWN OR REFERENCED ABOVE, TOGETHER WITH ALL EXPENSES, COST AND ATTORNEY'S FEES INCURRED IN CONNECTION WITH SAID LIENS, PROVIDED THEY CURRENTLY ENCUMBER THE PROPERTY AND WERE EXPRESSLY AGREED TO OR CREATED BY APPLICANT PRIOR TO THE CLOSING OF THIS TRANSACTION.

APPLICANT: NORTHWEST NATURAL GAS COMPANY

By: _____

Its:_____