

ATTORNEY GENERAL

AUG 31 2004

4th JUDICIAL DISTRICT
STATE OF ALASKA

**PROSPECTIVE PURCHASER AGREEMENT
AND COVENANT NOT TO SUE
BETWEEN THE STATE OF ALASKA
AND RBR, LLC,
AND ALASKAN FLORAL AND WEDDING SHOP,
INC.**

**RETURN TO: MARY ANN LUNDQUIST, AAG
OFFICE OF THE ATTORNEY GENERAL
100 CUSHMAN ST., STE . 400
FAIRBANKS, AK 99701**

**PROSPECTIVE PURCHASER AGREEMENT
AND COVENANT NOT TO SUE
BETWEEN THE STATE OF ALASKA
AND RBR, LLC,
AND ALASKAN FLORAL AND WEDDING SHOP, INC.**

1. This Prospective Purchaser Agreement is entered into by the State of Alaska, Department of Environmental Conservation ("ADEC") and Alaskan Floral and Wedding Shop, Inc. ("AFW"), and RBR, LLC, ("RBR"), a wholly owned subsidiary of Alaskan Floral and Wedding Shop (collectively referred to as the "Parties").
2. ADEC enters into this Agreement pursuant to Title 46 of the Alaska Statutes and Title 18 of the Alaska Administrative Code.
3. RBR is interested in acquiring property located at 615 - 619 Gaffney Road, Fairbanks, Alaska ("the Property") for the purpose of AFW operating a wedding and floral shop. The Property is currently owned by the Stansberry Estate.
4. The Parties agree to undertake all actions required by the terms and conditions of this Agreement. The purpose of this Agreement is to settle and resolve, subject to reservations and limitations contained in Section VIII, the potential liability of AFW and RBR for existing contamination of the Property which would otherwise result from operation or ownership of the Property.
5. The resolution of this potential liability in exchange for AFW and RBR providing ongoing monitoring and for facilitating the installation of a soil treatment system to clean up PCE in the soils and monitoring ensures productive use of the Property and is in the public interest.

SECTION I. DEFINITIONS

6. Unless otherwise expressly provided herein, terms used in this Agreement that are defined in Alaska Statute Title 46 or in the regulations promulgated under that title shall have meaning assigned to them in those statutes and regulations.
7. "Agreement" means this document entitled "Prospective Purchaser Agreement and Covenant not to Sue Between the State of Alaska and RBR, LLC, and Alaskan Floral and Wedding Shop, Inc. and Attachments 1 – 2 .
8. "Existing Contamination" means any hazardous substances, pollutants, or contaminants, present or existing in, on, under, or adjacent to the Property as of the effective date of this Agreement.
9. "Fiscal Year" means the State of Alaska's fiscal year, which runs from July 1 to June 30 of the following calendar year.
10. "Parties" means the State of Alaska Department of Environmental Conservation, AFW, and RBR.

11. "Property" means the property at 615 - 619 Gaffney Road, Fairbanks, Alaska, identified generally on the Map attached as Attachment 1, further described as:

Lot 1B and 2B, Block 3A, Johnson & Dunkin Subdivision, according to the plat filed November 2, 1960, as Instrument # 60-9215, Fairbanks Recording District, Fourth Judicial District, State of Alaska, and formerly described as:

That portion of Lots 1 and 2, Block 3A, Subdivision of the Rickert Homestead, according to the plat thereof filed November 4, 1944 as Instrument No. 96,332; Fairbanks Recording District, Fourth Judicial District, State of Alaska, described as follows:

BEGINNING at a point on the South boundary of said Lot 2 that lies South 79°08' West 116.70 feet from the Southeast corner thereof; THENCE North 10°52' West 129.76 feet to the North boundary of said Lot 1; THENCE South 86°45' West along said North boundary, 92.82 feet to the Northwest corner of said Lot 1; THENCE South 10°52' East along the West boundary of said Lots 1 and 2, 142.08 feet to the Southwest corner of said Lot 2; THENCE North 79°08' East along the South boundary of said Lot 2, 92.00 feet to the POINT OF BEGINNING.

SECTION II. STATEMENT OF THE FACTS

12. The Property is located at 615 - 619 Gaffney Road, Fairbanks, Alaska. The Property was formerly used as a dry cleaner. The Speed Queen Launderette was located at this property in 1968, and Royal Masters Launderette operated at this location from 1969 to 1981. Royal Masters Launderette was owned and operated by Aaron Stansberry.
13. The Stansberry Estate was notified on December 26, 2003, that there was contaminated soil and/or water associated with the Property, and that it was identified as a potential responsible party. Analytical results from soil samples collected during the ADEC's site investigation indicate that sources for the two Gaffney Road area PCE plumes are leaky sanitary sewer lines and point source areas of contaminated soils associated with dry cleaners and or other users of chlorinated solvents. Soil samples collected from behind the Property contained the highest concentrations of PCE detected during the Gaffney Road Area Wide Investigation, Phase III. Based on the soil analytical data, it appears that the ten-foot strip of land to the South of the building is contaminated with PCE.
14. There is ongoing litigation between the Stansberry Estate and AFW regarding AFW's claim that it has a right to purchase the property under the lease with

Option to Purchase, signed July 13, 1998. AFW recorded a Lis Pendens against the Property on July 2, 2003 as Instrument No 2003-016151-0, in the Records of the Fairbanks Recording District, Fourth Judicial District, State of Alaska.

15. The Stansberry Estate had requested that its liability be limited to the cost of installing a passive soil venting system to deal with onsite soil contamination, in accordance with the May 11, 2004 and July 12, 2004 Shannon & Wilson Proposals.
16. AFW and RBR have requested that their liability as to existing contamination be limited to providing monitoring for a cost of up to \$2500 per year, for up to ten years.
17. Settlement of claims between AFW, RBR, the Stansberry Estate and ADEC will result in the Stansberry Estate paying by check to ADEC \$55,000 to take corrective action consisting of a soil assessment and treatment program, as approved by ADEC to reduce or eliminate any risk posed to the public's health or the environment from the soil contamination. See Attachment 2 (Settlement Agreement). The Settlement Agreement is conditioned on ADEC and RBR entering into this Prospective Purchaser Agreement.

SECTION III. PERFORMANCE OF WORK

18. In partial consideration for the State's covenant not to sue in Section VII of this Agreement, RBR agrees to pay up to Twenty-five Hundred Dollars (\$2500) per state fiscal year, for a total of ten (10) years, for monitoring in the Gaffney Road Area Wide Investigation, and operation and maintenance of any soil treatment system installed on the property. If the monitoring costs in any fiscal year are less than \$2500, then the balance shall be carried forward to future fiscal year to pay for operation and maintenance costs of any soil treatment system installed on the property. To the extent there is no carry forward balance, ADEC shall be responsible for any operation and maintenance costs, if any, of the soil treatment system. ADEC's Gaffney Road Area Wide Groundwater Investigation Project Manager shall be responsible for determining what monitoring shall be done each year at RBR's cost. With the exception of the fiscal year in which this Agreement is entered into, RBR shall contact the Gaffney Road Area Wide Groundwater Investigation Project Manager between July 15 and August 15 of each year, so that the Project Manager can determine the monitoring for which RBR will be financially responsible during that fiscal year.
19. During September in the fiscal year that this Agreement is entered into, RBR shall contact the Gaffney Road Area Wide Groundwater Investigation Project Manager to determine the monitoring for which RBR will be financially responsible during that fiscal year.

SECTION IV. ACCESS

20. Commencing upon the date that it acquires title to the Property, AFW and RBR agree to provide ADEC, its authorized officers, employees, representatives, and all other persons performing response actions under ADEC oversight, the right of access at all reasonable times to the Property for monitoring and investigation as part of the Gaffney Road Areawide Investigation and the implementation of any response actions at the Property. ADEC agrees to provide reasonable notice to AFW and RBR of the timing of its access requirements. ADEC agrees to provide reasonable efforts to minimize interference with AFW and RBR's operations by such access.
21. Within 30 days after the effective date of this Agreement, AFW and RBR shall record a certified copy of this Agreement with the Recorder's Office of the Fairbanks Recording District, Fourth Judicial District, State of Alaska.
22. AFW and RBR shall ensure that assignees, successors in interest, lessees, and sub-lessees of the property shall provide the same access as AFW and RBR are required to provide under this Agreement. AFW and RBR shall provide a copy of this Agreement to any current or future lessees, sublessees, or successors in interest, and shall ensure that any subsequent agreements, leases, subleases, assignments or transfers of the Property or and interest in the property are consistent with the access requirements of this section and Section X (Parties/Bound Transfer or Covenant) and where appropriate, Section III (Performance of Work). AFW's or RBR's failure to provide a copy of this Agreement to any current or future lessee, sublessee or successor in interest shall not invalidate any provision of this Agreement.

SECTION V. DUE CARE/COOPERATION

23. AFW and RBR shall exercise due care at the Property with respect to the Existing Contamination and the work undertaken pursuant to this Agreement, and shall comply with all applicable local, State, and federal laws and regulations. AFW and RBR recognize that work undertaken pursuant to this Agreement may interfere with the use of the Property.
24. In the event AFW or RBR become aware of any action or occurrence which causes or threatens a release of hazardous substances, pollutants or contaminants at or from the property that constitutes an emergency situation or may present an imminent and substantial threat to public health or welfare or the environment, AFW and RBR shall immediately take all appropriate action to prevent, abate, or minimize such release or threat of release, and shall immediately notify ADEC of such release or threatened release.

SECTION VI. CERTIFICATION

25. By entering into this agreement, AFW and RBR certify that to the best of their knowledge and belief they have fully and accurately disclosed to ADEC all information known to AFW and RBR and all information in the possession or control of its officers, employees, contractors and agents which relates in any way to any Existing Contamination or any past or potential future release of hazardous substances, pollutants or contaminants at or from the Property. AFW and RBR also certify that to the best of their knowledge and belief they have not caused or contributed to a release or threat of release of hazardous substances or pollutants or contaminants at the Property.

SECTION VII. STATE OF ALASKA'S COVENANT NOT TO SUE

26. Except as otherwise provided in Section VIII of this Agreement, the State of Alaska covenants not to sue or take any other civil or administrative action against AFW and RBR for any and all liability for mandatory or injunctive relief or reimbursement of response costs pursuant to Sections 106 or 107(a) of CERCLA, 42 U.S.C. §§ 9606 or 9606(a), AS 46.03.822 or AS 46.03.760 with respect to the Existing Contamination. These covenants not to sue shall take effect upon the effective date of this Agreement, and extend only to AFW and RBR and not to any other person except as provided for in Section X (Parties Bound/Transfer of Covenant). These covenants are conditioned upon the truth of AFW and RBR's certification in Section VI (Certification) of this Agreement, and upon the satisfactory performance by AFW and RBR of its obligations under this agreement.

SECTION VIII. RESERVATION OF RIGHTS

27. The State of Alaska's covenant not to sue set forth in Section VII above does not pertain to any matters other than those expressly specified in Section VII. The State reserves, and the Agreement is without prejudice to, all rights against AFW and RBR with respect to all other matters, including but not limited to, the following:
- (a) Claims based on a failure by AFW and RBR to meet a requirement of the Agreement;
 - (b) Any liability resulting from past or future releases of hazardous substances, pollutants or contaminants, at or from the Property caused or contributed to by AFW and RBR, their contractors, successors, assignees, lessees or sublessees. For purposes of this paragraph "caused or contributed" to the release does not include the failure to

prevent the passive leaching or migration at or from the property of existing contamination that had first been released into the environment by a person other than AFW or RBR;

- (c) Any liability resulting from exacerbation by AFW and RBR, their successors, assignees, lessees or sublessees, of Existing Contamination;
 - (d) Any liability resulting from the release or threat of release of hazardous substances, pollutants or contaminants, at the Property after the effective date of this Agreement, and not within the definition of Existing Contamination.
28. Nothing in this Agreement is intended as a release or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal past or future, in law or in equity, which the State or AFW and RBR may have against any person, firm, corporation or other entity not a party to this Agreement.
29. Nothing in this Agreement is intended to limit the right of the State of Alaska to undertake future response actions at the Property or to seek to compel parties other than AFW, RBR, or their assignees or transferees under Section X to perform or pay for response actions at the Property. Nothing in this Agreement shall in any way restrict or limit the nature or scope of response actions which may be taken or be required by the State of Alaska in exercising its authority under state or federal law. AFW and RBR acknowledge that it is purchasing property where such response actions may be required. The parties agree that AFW's and RBR's obligation to conduct response actions to address the existing Contamination at the Property is limited to those tasks set forth in Section III (Performance of Work). AFW and RBR agree to cooperate with ADEC in the event that further response actions are necessary. ADEC agrees to cooperate with AFW and RBR to time any further response actions to reasonably minimize interference with AFW's and RBR's operations at the Property.

SECTION IX. AFW'S AND RBR'S COVENANT NOT TO SUE

30. In consideration of the State of Alaska's Covenant Not to Sue in Section VII of this Agreement, AFW and RBR covenant not to sue and not to assert any civil claims or causes of action against the State of Alaska, its officers, employees, or representatives with respect to ADEC's performance of response activities concerning Existing Contamination at the Property, including ADEC's oversight of contractor's performance of response actions at the Property and ADEC's approval of plans for such response activities, except as provided for in Paragraph 31 and in Section XX (Dispute Resolution) of this Agreement.
31. AFW and RBR reserve, and this Agreement is without prejudice to, actions against the State based on negligent actions taken directly by the State, not

- including oversight or approval of AFW's and RBR's activities, that are brought pursuant to any statute other than AS 46.03.822, CERCLA or RCRA.
32. Nothing herein shall be deemed to constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

SECTION X. PARTIES BOUND/TRANSFER OF COVENANT

33. This Agreement shall apply to and be binding upon the State, its officers, commissioners, employees and agents, and shall apply to and be binding on AFW and RBR, their officers, directors, employees, and agents. Each signatory of a Party to this Agreement represents that he or she is fully authorized to enter into the terms and conditions of this Agreement and to legally bind such party.
34. Notwithstanding any other provisions of this Agreement, all of the rights, benefits and obligations conferred upon AFW and RBR under this Agreement may be assigned or transferred to any person, provided that the assignee or transferee consents in writing to be bound by the terms of this Agreement, provides a certification pursuant to Section VI (Certification) of this Agreement, and is approved in writing by ADEC. Only if approved by ADEC shall such assignee or transferee be entitled to the protection of Section VII (Covenant Not to Sue) of this Agreement.
35. In the event of an assignment or transfer of the Property or an assignment or transfer of an interest in the Property, the assignor or transferor shall continue to be bound by all the terms and conditions, and subject to all the benefits, of this Agreement, unless the State of Alaska and the assignor or transferor agree to modify this Agreement, in writing.

SECTION XI. DISCLAIMER

36. This Agreement in no way constitutes a finding by ADEC as to the risks to human health and the environment which may be posed by contamination at the Property, nor constitutes any representation by ADEC that the Property is fit for any particular purpose.

SECTION XII. DOCUMENT RETENTION

37. AFW and RBR agree to retain and make available to ADEC all business and operating records, contracts, site studies and investigations, and documents relating to operations at the Property, for ten years following completion of the work in Section III (Performance of Work), unless otherwise agreed to in writing by the Parties. At the end of ten years, AFW and RBR shall notify

ADEC of the location of such documents and shall provide ADEC with an opportunity to copy any documents at ADEC's expense.

SECTION XIII. PAYMENT OF COSTS

38. If AFW and RBR fail to comply with the terms of this Agreement, including, but not limited to the provisions of Section III (Performance of Work) of this Agreement, it shall be liable, to the extent allowed by law, for all litigation and other enforcement costs incurred by the State of Alaska to enforce this Agreement or otherwise obtain compliance.

SECTION XIV. NOTICES AND SUBMISSIONS

39. Notices and submissions under this Agreement should be directed to:

For ADEC:

Gaffney Road Area Wide Groundwater Investigation Project Manager
Contaminated Sites Remediation Program
Alaska Department of Environmental Conservation
610 University Avenue
Fairbanks, Alaska 99709

For AFW and RBR:

Alaskan Floral and Wedding Shop, Inc.
RBR, LLC
Attention: Jan Taylor
617 Gaffney Road
Fairbanks, Alaska 99701

40. Any modifications of this Agreement shall be in writing signed by the Parties hereto. Requests for modification should be directed to the entities specified in this section.

SECTION XV. EFFECTIVE DATE

41. This Agreement may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. The effective date of this Agreement shall be the date upon which the Agreement has been executed by all parties or the date on which RBR acquires title to the Property, whichever comes later.

SECTION XVI. ATTORNEY GENERAL'S APPROVAL

42. The signature of the Alaska Attorney General or his designee hereto signifies approval of the settlement embodied in this Agreement, including the Covenant Not to Sue of the State of Alaska.
43. The signatures of representatives of AFW and of RBR signify approval of the settlement embodied in this Agreement.

SECTION XVII. TERMINATION/MODIFICATION

44. If any Party believes that any or all of the obligations under Section IV (Access) are no longer necessary to ensure compliance with the requirements of the Agreement, that Party may request in writing that the other Party agree to terminate the provision(s) establishing such obligations; provided, however, that the provision(s) in question shall continue in force unless and until the party requesting such termination receives written agreement from the other party to terminate such provision(s).

SECTION XVIII. CONTRIBUTION PROTECTION

45. With regard to claims for contribution against AFW and RBR, the Parties agree that AFW and RBR are entitled to protection from contribution actions or claims to the extent provided by CERCLA Section 113(f)(2), 42 U.S.C. § 9613(f)(2) or other law for matters addressed in this Agreement. The matters addressed in this Agreement are all response actions taken or to be taken by AFW or RBR, the State, or any third party with respect to the Existing Contamination at the Property. As set forth in paragraph 36, AFW and RBR shall be responsible only for the work required under this Agreement, and is entitled to contribution protection from the claims of any person for any matter other than the work or the oversight thereof.
46. AFW and RBR agree that with respect to any suit or claim for contribution brought by it for matters related to this Agreement it will notify the State in writing no later than 60 days prior to the initiation of such suit or claim.
47. AFW and RBR also agree that with respect to any suit or claim for contribution brought against it for matters related to this Agreement it will notify the State in writing as soon as possible.

SECTION XIX. ATTACHMENTS

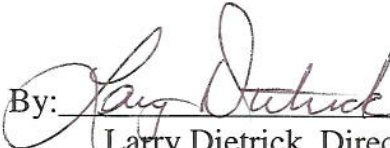
48. Attachment 1 is the map describing the Property which is the subject of this Agreement.
49. Attachment 2 is the Settlement Agreement between ADEC, the Stansberry Estate, AFW, and RBR.

SECTION XX. DISPUTE RESOLUTION


50. The parties agree to make reasonable efforts to informally resolve all disputes at the lowest possible level, which is generally with Jan Taylor for AFW and RBR, and at the Project Manager level for ADEC. If the dispute cannot be thus resolved, the ADEC Contaminated Sites Program, Program Manager will meet with AFW and RBR's representative to resolve the dispute. If the dispute is still unresolved, the Director of Spill Prevention and Response, ADEC, will meet with AFW and RBR's representative. If there is still no resolution of the issue, AFW and RBR's representative will meet with the Commissioner of ADEC to resolve the issue. Unless the parties agree otherwise in writing, each level of review shall be completed within 20 days or the dispute shall automatically be elevated to the next level.
51. The Commissioner of ADEC will issue a final determination in writing. The written determination will be final for purposes of judicial review. AFW and RBR's covenant not to sue as provided in Section IX of the Agreement does not prevent AFW and RBR from seeking judicial review of any final determination under this paragraph. AFW and RBR will implement the Commissioner's final determination unless, within 5 working days of the final determination, it requests a stay of the effectiveness of the final determination. If AFW and RBR request a stay, the Commissioner will grant a 35-day stay of the final determination.
52. The pendency of any individual dispute shall not affect AFW's and RBR's responsibility for timely performance of undisputed work not related to the matter in dispute, which is required by this Agreement. All elements of the work required by this Agreement that are not affected by the dispute shall continue and be completed in accordance with the Agreement.
53. In the event that ADEC becomes aware of any action or occurrence which causes or threatens a release of hazardous substances, pollutants or contaminants at or from the Property that constitutes an emergency situation or may present an imminent and substantial threat to public health or welfare or the environment, ADEC shall immediately notify AFW and RBR and may direct that AFW and RBR immediately take all appropriate action to prevent, abate, or minimize such release or threat of release, or itself take all actions allowed by law without regard to the dispute resolution remedies provided here, except that AFW and RBR may pursue any administrative or judicial remedies otherwise available to it.

IT IS SO AGREED:


ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

By:  Dated this 26th day of August 2004.
Larry Dietrick, Director
Division of Spill Prevention and Response
Alaska Department of Environmental Conservation

ALASKA FLORAL AND WEDDING SHOP, INC.

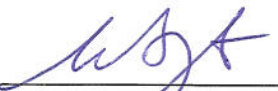
By:  Dated this ____ day of August 2004.
Jan Taylor, President

RBR, LLC

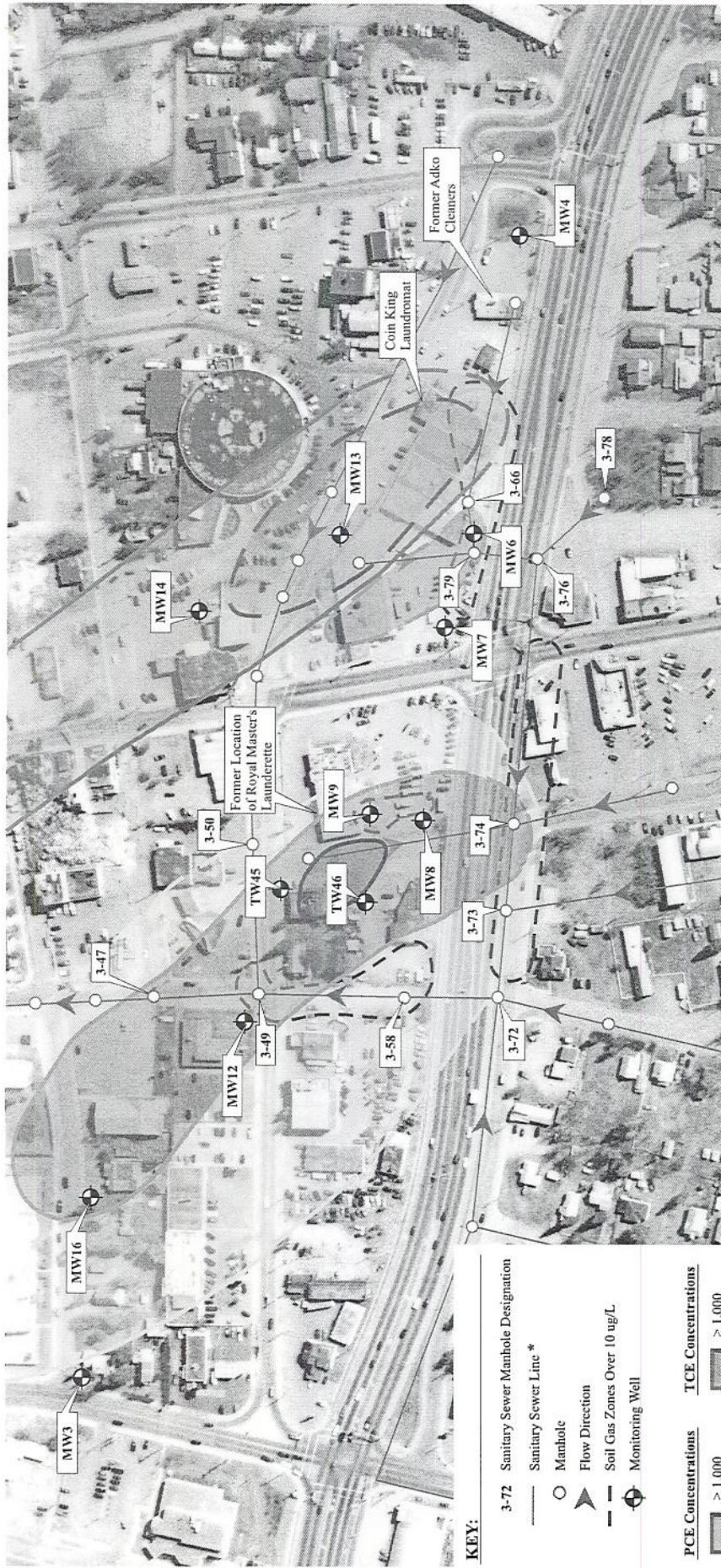
By: Alaskan Floral and Wedding Shop, Inc., sole member of RBR, LLC
By:  Dated this ____ day of August 2004.
Jan Taylor, President

APPROVED:

ALASKA DEPARTMENT OF LAW

By:  Dated this 31st day of August 2004.
Mary Ann Lundquist
Senior Assistant Attorney General

Source: Aeronap U.S., 5-18-99



* Locations approximated from Proposed & Existing Sanitary Sewer Utilities, 1970

KEY:

3-72 Sanitary Sewer Manhole Designation

Sanitary Sewer Line *

Manhole

Flow Direction

Soil Gas Zones Over 10 ug/L

Monitoring Well

PCE Concentrations	TCE Concentrations
> 1,000	> 1,000
100 - 1,000	100 - 1,000
10 - 100	10 - 100

ecology and environment, inc.
International Specialists in the Environment
Anchorage, Alaska



GAFFNEY ROAD AREA WIDE PHASE III
GROUNDWATER INVESTIGATION
Fairbanks, Alaska

Figure 4-3
CONCEPTUAL MODEL OF PCE AND TCE CONCENTRATIONS
IN GROUNDWATER - OCTOBER 2003

Date:	12/18/03
Drawn by:	AES
10:001577CSI801fig 4-3	