



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

Northwest Regional Office • 3190 160th Ave SE • Bellevue, WA 98008-5452 • 425-649-7000
711 for Washington Relay Service • Persons with a speech disability can call 877-833-6341

March 29, 2016

Mr. Roger Jensen
Nordic Properties, Inc.
PO Box 84
Port Orchard, WA 98366

Re: Notice of Potential Liability under the Model Toxics Control Act for the Release of Hazardous Substances at the Following Hazardous Waste Site:

- Name: **Newman's Chevron**
- Address: 2021 6th St., Bremerton WA 98310
- Kitsap County Assessor's Parcel Number: 3717-002-015-0106
- Facility/Site No.: 1436359
- Cleanup Site No.: 5252
- VCP ID No: NW0620

Dear Mr. Jensen:

Under the Model Toxics Control Act (MTCA), chapter 70.105D RCW, which governs the cleanup of hazardous waste sites in Washington State, the Department of Ecology (Ecology) may identify persons that it finds are liable for the release of hazardous substances at a site. Before making such a finding, Ecology must provide persons with notice and an opportunity to comment on the proposed finding. Any person whom Ecology finds, based on credible evidence, to be liable is known as a "potentially liable person" or "PLP".

Proposed Finding of Liability

Based on credible evidence, Ecology is proposing to find Nordic Properties Inc. liable under RCW 70.105D.040 for the release of hazardous substances at the Newman's **Chevron** facility (Site). This proposed finding is based on the following evidence:

1. Limited Phase II Environmental Site Assessment (August 20, 2009). In 1990, four steel 4,000-gallon gasoline underground storage tanks (UST), one steel 6,000-gallon gasoline UST, and one 550-gallon waste oil UST were removed. During the 1990 removal it was observed that the waste oil UST was leaking. Also observed was a leaking product line in the gasoline UST tank pit. Soil samples from the 1990 excavation showed gasoline range petroleum hydrocarbon (TPH-g) concentrations to be 10,230 parts per million



(ppm). The July 2009 Soil data showed TPH-g at 4,400 ppm. Benzene concentrations were also documented as exceeding MTCA cleanup levels.

2. Wilkins Distributing Co., Inc., (Nordic Properties) was an owner/operator at the Newman's Chevron Site from 1981 until 2004.

Opportunity to Respond to Proposed Finding of Liability

In response to Ecology's proposed finding of liability, you may either:

1. Accept your status as a PLP without admitting liability and expedite the process through a voluntary waiver of your right to comment. This may be accomplished by signing and returning the enclosed form or by sending a letter containing similar information to Ecology;
2. Challenge your status as a PLP by submitting written comments to Ecology within thirty (30) calendar days of the date you receive this letter; or
3. Choose not to comment on your status as a PLP.

Please submit your waiver or written comments to the following address:

Dale Myers
Toxics Cleanup Program
Department of Ecology
3190 160th Avenue SE
Bellevue, WA 98008

After reviewing any comments submitted or after 30 days if no response has been received, Ecology will make a final determination regarding your status as a PLP and provide you with written notice of that determination.

Identification of Other Potentially Liable Persons

Ecology has already determined that Victory Business Park LLC and Chevron Environmental Management Company are PLPs.

Ecology will discuss and send notice of Potential Liability to Ms. Karin Newman.

Responsibility and Scope of Potential Liability

Please note that Ecology may either conduct or require PLPs to conduct remedial actions to investigate and clean up the release of hazardous substances at a site. PLPs are encouraged to initiate discussions and negotiations with Ecology and the Office of the Attorney General that may lead to an agreement on the remedial action to be conducted.

Mr. Roger Jensen
March 29, 2016
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Please also note that each liable person is strictly liable, jointly and severally, for all remedial action costs and for all natural resource damages resulting from the release of hazardous substances at a site. If Ecology incurs remedial action costs in connection with the investigation or cleanup of real property and those costs are not reimbursed, then Ecology has the authority under RCW 70.105D.055 to file a lien against that real property to recover those costs.

Next Steps in Cleanup Process

In response to the release of hazardous substances at the Site, Ecology intends to conduct the following actions under MTCA:

1. Conduct a Site Hazard Assessment;
2. Negotiate an Agreed Order to complete the Remedial Investigation, Feasibility Study and Draft Cleanup Action Plan to remediate the Site.

For a description of the process for cleaning up a hazardous waste site under MTCA, please refer to the enclosed fact sheet.

Ecology's policy is to work cooperatively with PLPs to accomplish the prompt and effective cleanup of hazardous waste sites. Please note that your cooperation in planning or conducting remedial actions at the Site is not an admission of guilt or liability.

Contact Information

If you have any questions regarding this letter or if you would like additional information regarding the cleanup of hazardous waste sites, please contact me at (425) 649-4446 or by email at dale.myers@ecy.wa.gov. Thank you for your cooperation.

Sincerely,



Dale Myers
Toxics Cleanup Program

Enclosures: Focus: Model Toxics Control Act Cleanup Regulation: Process for
Cleanup of Hazardous Waste Sites (Pub. No. #94-129)
Voluntary Waiver of Right to Comment Form
Site Map
Ecology Title Search Newman's Chevron Wilkins-Jensen

By Certified Mail [7011 0470 0003 3682 4462]



Focus

Model Toxics Control Act Cleanup Regulation: Process for Cleanup of Hazardous Waste Sites

In March of 1989, an innovative, citizen-mandated toxic waste cleanup law went into effect in Washington, changing the way hazardous waste sites in this state are cleaned up. Passed by voters as Initiative 97, this law is known as the Model Toxics Control Act, chapter 70.105D RCW. This fact sheet provides a brief overview of the process for the cleanup of contaminated sites under the rules Ecology adopted to implement that Act (chapter 173-340 WAC).

How the Law Works

The cleanup of hazardous waste sites is complex and expensive. In an effort to avoid the confusion and delays associated with the federal Superfund program, the Model Toxics Control Act is designed to be as streamlined as possible. It sets strict cleanup standards to ensure that the quality of cleanup and protection of human health and the environment are not compromised. At the same time, the rules that guide cleanup under the Act have built-in flexibility to allow cleanups to be addressed on a site-specific basis.

The Model Toxics Control Act funds hazardous waste cleanup through a tax on the wholesale value of hazardous substances. The tax is imposed on the first in-state possessor of hazardous substances at the rate of 0.7 percent, or \$7 per \$1,000. Since its passage in 1988, the Act has guided the cleanup of thousands of hazardous waste sites that dot the Washington landscape. The Washington State Department of Ecology's Toxic Cleanup Program ensures that these sites are investigated and cleaned up.

What Constitutes a Hazardous Waste Site?

Any owner or operator who has information that a hazardous substance has been released to the environment at the owner or operator's facility and may be a threat to human health or the environment must report this information to the Department of Ecology (Ecology). If an "initial investigation" by Ecology confirms further action (such as testing or cleanup) may be necessary, the facility is entered onto either Ecology's "Integrated Site Information System" database or "Leaking Underground Storage Tank" database. These are computerized databases used to track progress on all confirmed or suspected contaminated sites in Washington State. All confirmed sites that have not been already voluntarily cleaned up are ranked and placed on the state "Hazardous Sites List." Owners, operators, and other persons known to be potentially liable for the cleanup of the site will receive an "Early Notice Letter" from Ecology notifying them that their site is suspected of needing cleanup, and that it is Ecology's policy to work cooperatively with them to accomplish prompt and effective cleanup.

Who is Responsible for Cleanup?

Any past or present relationship with a contaminated site may result in liability. Under the Model Toxics Control Act a potentially liable person can be:

- A current or past facility owner or operator.
- Anyone who arranged for disposal or treatment of hazardous substances at the site.
- Anyone who transported hazardous substances for disposal or treatment at a contaminated site, unless the facility could legally receive the hazardous materials at the time of transport.
- Anyone who sells a hazardous substance with written instructions for its use, and abiding by the instructions results in contamination.

In situations where there is more than one potentially liable person, each person is jointly and severally liable for cleanup at the site. That means each person can be held liable for the entire cost of cleanup. In cases where there is more than one potentially liable person at a site, Ecology encourages these persons to get together to negotiate how the cost of cleanup will be shared among all potentially liable persons.

Ecology must notify anyone it knows may be a “potentially liable person” and allow an opportunity for comment before making any further determination on that person’s liability. The comment period may be waived at the potentially liable person’s request or if Ecology has to conduct emergency cleanup at the site.

Achieving Cleanups through Cooperation

Although Ecology has the legal authority to order a liable party to clean up, the department prefers to achieve cleanups cooperatively. Ecology believes that a non-adversarial relationship with potentially liable persons improves the prospect for prompt and efficient cleanup. The rules implementing the Model Toxics Control Act, which were developed by Ecology in consultation with the Science Advisory Board (created by the Act), and representatives from citizen, environmental and business groups, and government agencies, are designed to:

- Encourage independent cleanups initiated by potentially liable persons, thus providing for quicker cleanups with less legal complexity.
- Encourage an open process for the public, local government and liable parties to discuss cleanup options and community concerns.
- Facilitate cooperative cleanup agreements rather than Ecology-initiated orders. *Ecology can, and does, however use enforcement tools in emergencies or with recalcitrant potentially liable persons.*

What is the Potentially Liable Person’s Role in Cleanup?

The Model Toxics Control Act requires potentially liable persons to assume responsibility for cleaning up contaminated sites. For this reason, Ecology does not usually conduct the actual cleanup when a potentially liable person can be identified. Rather, Ecology oversees the cleanup of sites to ensure that investigations, public involvement and actual cleanup and monitoring are done appropriately. Ecology’s costs of this oversight are required to be paid by the liable party.

When contamination is confirmed at the site, the owner or operator may decide to proceed with cleanup without Ecology assistance or approval. Such “independent cleanups” are

allowed under the Model Toxics Control Act under most circumstances, but must be reported to Ecology, and are done at the owner's or operator's own risk. Ecology may require additional cleanup work at these sites to bring them into compliance with the state cleanup standards. Most cleanups in Washington are done independently.

Other than local governments, potentially liable persons conducting independent cleanups do not have access to financial assistance from Ecology. Those who plan to seek contributions from other persons to help pay for cleanup costs need to be sure their cleanup is "the substantial equivalent of a department-conducted or department-supervised remedial action." Ecology has provided guidance on how to meet this requirement in WAC 173-340-545. Persons interested in pursuing a private contribution action on an independent cleanup should carefully review this guidance prior to conducting site work.

Working with Ecology to Achieve Cleanup

Ecology and potentially liable persons often work cooperatively to reach cleanup solutions. Options for working with Ecology include formal agreements such as consent decrees and agreed orders, and seeking technical assistance through the Voluntary Cleanup Program. These mechanisms allow Ecology to take an active role in cleanup, providing help to potentially liable persons and minimizing costs by ensuring the job meets state standards the first time. This also minimizes the possibility that additional cleanup will be required in the future – providing significant assurances to investors and lenders.

Here is a summary of the most common mechanisms used by Ecology:

- **Voluntary Cleanup Program:** Many property owners choose to cleanup their sites independent of Ecology oversight. This allows many smaller or less complex sites to be cleaned up quickly without having to go through a formal process. A disadvantage to property owners is that Ecology does not approve the cleanup. This can present a problem to property owners who need state approval of the cleanup to satisfy a buyer or lender.

One option to the property owner wanting to conduct an independent cleanup yet still receive some feedback from Ecology is to request a technical consultation through Ecology's Voluntary Cleanup Program. Under this voluntary program, the property owner submits a cleanup report with a fee to cover Ecology's review costs. Based on the review, Ecology either issues a letter stating that the site needs "No Further Action" or identifies what additional work is needed. Since Ecology is not directly involved in the site cleanup work, the level of certainty in Ecology's response is less than in a consent decree or agreed order. However, many persons have found a "No Further Action" letter to be sufficient for their needs, making the Voluntary Cleanup Program a popular option.

- **Consent Decrees:** A consent decree is a formal legal agreement filed in court. The work requirements in the decree and the terms under which it must be done are negotiated and agreed to by the potentially liable person, Ecology and the state Attorney General's office. Before consent decrees can become final, they must undergo a public review and comment period that typically includes a public hearing. Consent decrees protect the potentially liable person from being sued for "contribution" by other persons that incur cleanup expenses at the site while facilitating any contribution claims against the other persons when they are responsible for part of the cleanup costs. Sites cleaned up under a consent decree are also exempt from having to obtain certain state and local permits that could delay the cleanup.

-
- **De Minimus Consent Decree:** Landowners whose contribution to site contamination is “insignificant in amount and toxicity” may be eligible for a de minimus consent decree. In these decrees, landowner typically settle their liability by paying for some of the cleanup instead of actually conducting the cleanup work. Ecology usually accepts a de minimus settlement proposal only if the landowner is affiliated with a larger site cleanup that Ecology is currently working on.
 - **Prospective Purchaser Consent Decree:** A consent decree may also be available for a “prospective purchaser” of contaminated property. In this situation, a person who is not already liable for cleanup and wishes to purchase a cleanup site for redevelopment or reuse may apply to negotiate a prospective purchaser consent decree. The applicant must show, among other things, that they will contribute substantial new resources towards the cleanup. Cleanups that also have a substantial public benefit will receive a higher priority for prospective purchaser agreements. If the application is accepted, the requirements for cleanup are negotiated and specified in a consent decree so that the purchaser can better estimate the cost of cleanup before buying the land.
 - **Agreed Orders:** Unlike a consent decree, an agreed order is not filed in court and is not a settlement. Rather, it is a legally binding administrative order issued by Ecology and agreed to by the potentially liable person. Agreed orders are available for remedial investigations, feasibility studies, and final cleanups. An agreed order describes the site activities that must occur for Ecology to agree not to take enforcement action for that phase of work. As with consent decrees, agreed orders are subject to public review and offer the advantage of facilitating contribution claims against other persons and exempting cleanup work from obtaining certain state and local permits.

Ecology-Initiated Cleanup Orders

Administrative orders requiring cleanup activities without an agreement with a potentially liable person are known as **enforcement orders**. These orders are usually issued to a potentially liable person when Ecology believes a cleanup solution cannot be achieved expeditiously through negotiation or if an emergency exists. If the responsible party fails to comply with an enforcement order, Ecology can clean up the site and later recover costs from the responsible person(s) at up to three times the amount spent. The state Attorney General’s Office may also seek a fine of up to \$25,000 a day for violating an order. Enforcement orders are subject to public notification.

Financial Assistance

Each year, Ecology provides millions of dollars in grants to local governments to help pay for the cost of site cleanup. In general, such grants are available only for sites where the cleanup work is being done under an order or decree. Ecology can also provide grants to local governments to help defray the cost of replacing a public water supply well contaminated by a hazardous waste site. Grants are also available for local citizen groups and neighborhoods affected by contaminated sites to facilitate public review of the cleanup. See Chapter 173-322 WAC for additional information on grants to local governments and Chapter 173-321 WAC for additional information on public participation grants.

Public Involvement

Public notices are required on all agreed orders, consent decrees, and enforcement orders. Public notification is also required for all Ecology-conducted remedial actions.

Ecology's Site Register is a widely used means of providing information about cleanup efforts to the public and is one way of assisting community involvement. The Site Register is published every two weeks to inform citizens of public meetings and comment periods, discussions or negotiations of legal agreements, and other cleanup activities. The Site Register can be accessed on the Internet at: www.ecy.wa.gov/programs/tcp/pub_inv/pub_inv2.html.

How Sites are Cleaned Up

The rules describing the cleanup process at a hazardous waste site are in chapter 173-340 WAC. The following is a general description of the steps taken during the cleanup of an average hazardous waste site. Consult the rules for the specific requirements for each step in the cleanup process.

1. Site Discovery: Sites where contamination is found must be reported to Ecology's Toxics Cleanup Program within 90 days of discovery, unless it involves a release of hazardous materials from an underground storage tank system. In that case, the site discovery must be reported to Ecology within 24 hours. At this point, potentially liable persons may choose to conduct independent cleanup without assistance from the department, but cleanup results must be reported to Ecology.

2. Initial Investigation: Ecology is required to conduct an initial investigation of the site within 90 days of receiving a site discovery report. Based on information obtained about the site, a decision must be made within 30 days to determine if the site requires additional investigation, emergency cleanup, or no further action. If further action is required under the Model Toxics Control Act, Ecology sends early notice letters to owners, operators and other potentially liable persons inviting them to work cooperatively with the department.

4. Hazard Ranking: The Model Toxics Control Act requires that sites be ranked according to the relative health and environmental risk each site poses. Working with the Science Advisory Board, Ecology created the Washington Ranking Method to categorize sites using data from site hazard assessments. Sites are ranked on a scale of 1 to 5. A score of 1 represents the highest level of risk and 5 the lowest. Ranked sites are placed on the state Hazardous Sites List.

3. Site Hazard Assessment: A site hazard assessment is conducted to confirm the presence of hazardous substances and to determine the relative risk the site poses to human health and the environment.

5. Remedial Investigation/Feasibility Study: A remedial investigation and feasibility study is conducted to define the extent and magnitude of contamination at the site. Potential impacts on human health and the environment and alternative cleanup technologies are also evaluated in this study. Sites being cleaned up by Ecology or by potentially liable persons under a consent decree, agreed order or enforcement order are required to provide for a 30 day public review before finalizing the report.

6. Selection of Cleanup Action: Using information gathered during the study, a cleanup action plan is developed. The plan identifies preferred cleanup methods and specifies cleanup standards and other requirements at the site. A draft of the plan is subject to public review and comment before it is finalized.

7. Site Cleanup: Actual cleanup begins when the cleanup action plan is implemented. This includes design, construction, operation and monitoring of cleanup actions. A site may be taken off the Hazardous Sites List after cleanup is completed and Ecology determines cleanup standards have been met.

For More Information / Special Accommodation Needs

If you would like more information about the state Model Toxics Control Act, please call us toll-free at **1-800-826-7716**, or contact your regional Washington State Department of Ecology office listed below. Information about site cleanup, including a listing of ranked hazardous waste sites, is also accessible through our Internet address:

<http://www.ecy.wa.gov/programs/tcp/cleanup.html>

- **Northwest Regional Office** **425/649-7000**
(Island, King, Kitsap, San Juan, Skagit, Snohomish, Whatcom Counties)
- **Southwest Regional Office** **360/407-6300**
(Southwestern Washington, Olympic Peninsula, Pierce, Thurston and Mason Counties)
- **Central Regional Office** **509/575-2490**
(Benton, Chelan, Douglas, Kittitas, Klickitat, Okanogan, Yakima Counties)
- **Eastern Regional Office** **509/329-3400**
(Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman Counties)

If you need this publication in an alternative format, please contact the Toxics Cleanup Program at (360) 407-7170. Persons with a hearing loss can call 711 for the Washington Relay Service. Persons with a speech disability can call 877-833-6341.

Disclaimer Notice: This fact sheet is intended to help the user understand the Model Toxics Control Act Cleanup Regulation, chapter 173-340 WAC. It does not establish or modify regulatory requirements.

Procedure 500B: Attachment 7
Notice of Waiver
Revised January 2008

MR. ROGER JENSEN
NORDIC PROPERTIES, INC.
PO BOX 84
PORT ORCHARD, WA 98366

Pursuant to WAC 173-340-500 and WAC 173-340-520(1)(b)(i), I (NAME) _____,
a duly authorized representative of NORDIC PROPERTIES, INC., do hereby waive the right to
the thirty- (30) day notice and comment period described in WAC 173-340-500(3) and accept
status of NORDIC PROPERTIES, INC. as a Potentially Liable Person at the following site:

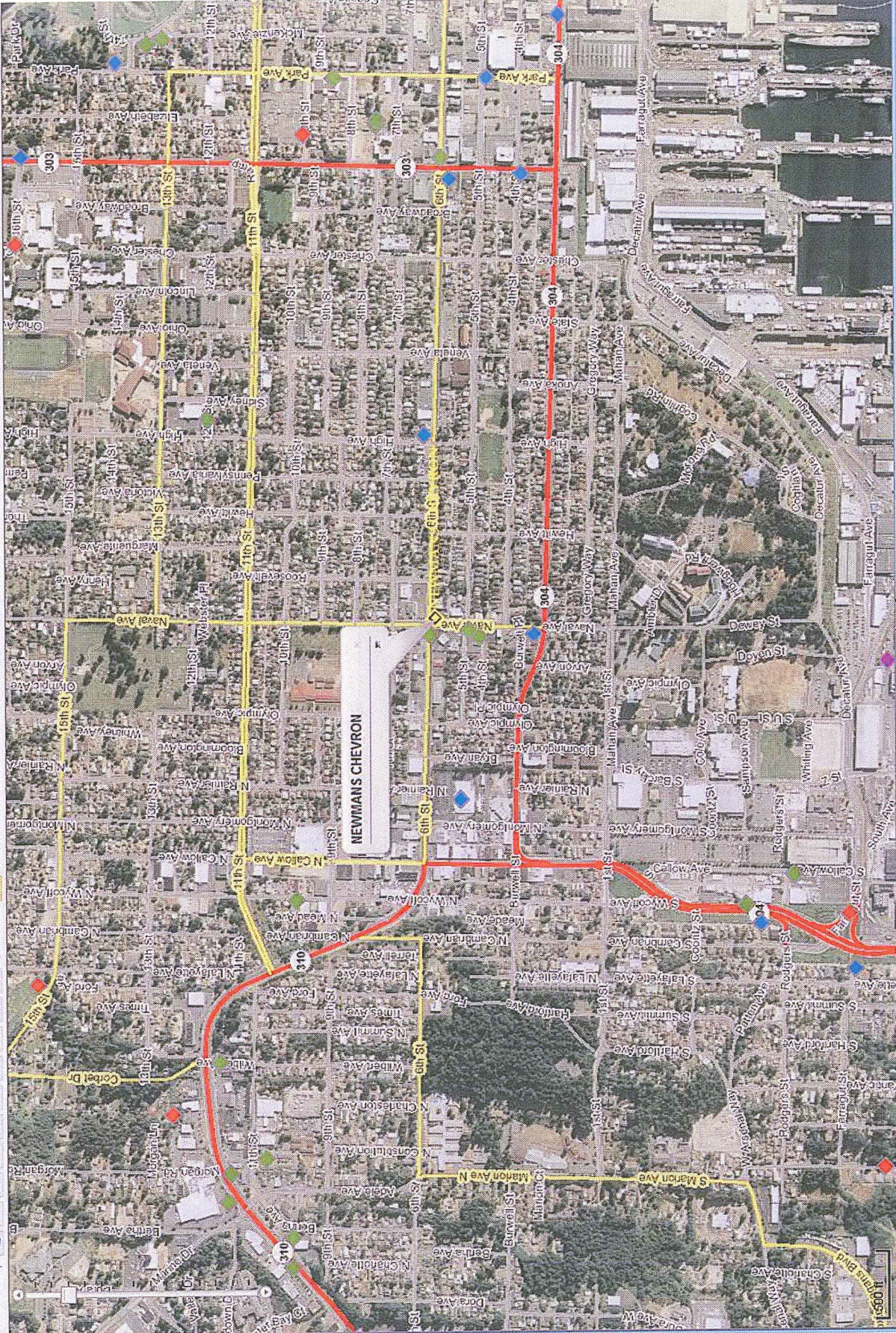
- Name: **Newman's Chevron**
- Address: 2021 6th ST Bremerton WA 98310
- Kitsap County Assessor's Parcel Number: 3717-002-015-0106
- Facility/Site No.: 1436359
- Cleanup Site No.: 5252
- VCP ID No: NW0620

By waiving this right, NORDIC PROPERTIES, INC. makes no admission of liability.

Signature

Date

Relation to the Site (that is, owner or operator)



map	FS-ID	Facility Name	Address	City	Zip	Status	Cleanup Start
	1436339	NEWMAN'S CHEVRON	2021 6th St	Bremerton	98310		

Details
<p>CHEVRON</p> <p>Cleanup Started</p> <p>Musa, Donna</p> <p>Northwest</p> <p>Private</p> <p>MTCA</p> <p>5</p> <p>Environmental Covenant</p> <p>IC Required but not implemented</p> <p>11/10/2020</p>

After recording return to:

Gary T. Chrey
Shiers, Kamps & Chrey
600 Kitsap Street, Suite 202
Port Orchard, WA 98366

EXCISE TAX EXEMPT

FEB 21 1985

KITSAP COUNTY
TREASURER
ASSIGNMENT OF LEASE
FOR SECURITY PURPOSES ONLY

FILED FOR RECORDING
1985 FEB 21 PM 1:55
SIERRIL HUFF
KITSAP COUNTY AUDITOR
DEPUTY

8502210096

THIS AGREEMENT is hereby made and entered into this 13th day of FEBRUARY, 1985, by and between Wilkins Distributing Co., Inc., a Washington corporation, hereinafter referred to as the Assignor, and William D. Wilkins and Lois E. Wilkins, husband and wife, hereinafter referred to as the Assignee.

W I T N E S S E T H:

WHEREAS, by written lease dated August 16, 1961, Thomas Forhan and Lydia B. Forhan, his wife, leased the premises legally described on Exhibit A attached hereto, which by this reference is incorporated herein as though fully set forth, to Texaco, Inc., a Delaware Corporation; and

WHEREAS, the interest of Texaco, Inc. in the aforementioned lease has been assigned to the Assignor herein; and

WHEREAS, the Assignor is desirous of assigning to the Assignee its interest in the aforementioned lease for security purposes only for the purpose of securing its performance under the terms and conditions of that certain "Stock Purchase Agreement, Security Agreement and Option Agreement" effective the 1st day of January, 1982 and of that certain "Acknowledgment of Exercise of Option and Amendment to Stock Purchase Agreement, Security Agreement and Option Agreement" of the 21st day of February, 1984 and of that certain "Stock Retirement Agreement and Second Amendment to Stock Purchase Agreement, Security Agreement and Option Agreement" of even date herewith; and

WHEREAS, it is the mutual desire of the Assignor and the Assignee to effectuate this assignment;

NOW, THEREFORE, it is hereby agreed as follows:

For and in consideration of the mutual benefits contained.

8502210096
ASSIGNMENT OF LEASE -1-

REC-332-1985

herein, the Assignor hereby assigns, conveys, and transfers to the Assignee the leasehold interest held by it applicable to the real property legally described on Exhibit A attached hereto, and the rights and responsibilities contained in the aforementioned lease. Provided, however, that this assignment is for collateral purposes only to provide security for the \$1,700,000 personal guaranty provided by William D. Wilkins to the Assignor, and until such time as a default shall occur, either in the aforementioned lease, or in the payment of the obligations and the fulfillment of the responsibilities under the aforementioned documents, the Assignor herein shall be responsible for, and shall insure the full and complete performance of all covenants, conditions, stipulations, responsibilities and other requirements of said lease.

IN WITNESS WHEREOF, the undersigned have this day set their hands and seals hereto.

WILKINS DISTRIBUTING CO., INC.

By Joseph A. Green Pres.
President

By William B. Ballman Sec.
Secretary

William D. Wilkins
WILLIAM D. WILKINS

Lois E. Wilkins
Lois E. Wilkins
Lois E. Wilkins her Attorney-in-Fact
LOIS E. WILKINS

8502210096

ASSIGNMENT OF LEASE -2-

REC 33281 1986

STATE OF WASHINGTON)
)SS
COUNTY OF KITSAP)

On this 13th day of FEBRUARY, 1985, before me, the under-
signed, a Notary Public in and for the State of Washington, duly
commissioned and sworn, personally appeared ROGER A. JENSEN and
WILLIAM B. BELLMAN, to me known to be the President and Secretary
of Wilkins Distributing Co., Inc. described in and who executed
the foregoing instrument, and acknowledged to me that they signed
and sealed the said instrument as their free and voluntary act
and deed for the uses and purposes therein mentioned.
WITNESS my hand and official seal hereto affixed the day
and year in this certificate above written.

R. C. Munn
NOTARY PUBLIC in and for the
State of Washington; residing
at SILVERDALE

STATE OF WASHINGTON)
)SS
COUNTY OF KITSAP)

On this 13th day of FEBRUARY, 1985, before me, the under-
signed, a Notary Public in and for the State of Washington, duly
commissioned and sworn, personally appeared WILLIAM D. WILKINS,
to me known to be the individual described in and who executed
the foregoing instrument, and acknowledged to me that he signed
and sealed the said instrument as his free and voluntary act and
deed for the uses and purposes therein mentioned.
WITNESS my hand and official seal hereto affixed the day
and year in this certificate above written.

R. C. Munn
NOTARY PUBLIC in and for the
State of Washington; residing
at SILVERDALE

STATE OF WASHINGTON)
)SS
COUNTY OF KITSAP)

On this 13th day of FEBRUARY, 1985, before me, the under-
signed, a Notary Public in and for the State of Washington, duly
commissioned and sworn, personally appeared WILLIAM D. WILKINS,
to me known to be the individual described in and who executed
the foregoing instrument as attorney in fact of LOIS E. WILKINS
therein described, and acknowledged to me that he signed and
sealed the same as his voluntary act and deed and as the free
and voluntary act and deed of the said LOIS E. WILKINS for the
uses and purposes therein mentioned, and on oath stated that the
power of attorney authorizing the execution of this instrument
has not been revoked and that the said LOIS E. WILKINS is now
living.
WITNESS my hand and official seal hereto affixed the day
and year in this certificate above written.

8502210096

R. C. Munn
NOTARY PUBLIC in and for the
State of Washington; residing
at SILVERDALE

EXHIBIT A

Lots 15 and 16 and the East five feet (5') of Lot 17, Block 2,
Bremers First Addition to Bremerton, Washington.
situate in Kitsap County, State of Washington.

B502210096

NEEL332711908

EXHIBIT A



Filed for Record at Request of

8508060010

NAME Armstrong, Bushirt & Anderson
 ADDRESS Attorneys at Law
Suite 204
Schwartz Building
4110 Kitsap Way
 CITY AND STATE Bremerton, Washington 98512

THIS SPACE RESERVED FOR RECORD PURPOSES

FILED FOR RECORD
 LAND TITLE COMPANY
 REQ. OF _____
 AUG 6 1985 AM 8:00
 SHERRI JOFF
 KITSAP COUNTY AUDITOR
 DEPUTY

E 48723 1

STATUTORY WARRANTY DEED

THE GRANTOR S, PAUL W. HAINS, WILLIAM P. FORHAN and THOMAS W. FORHAN, each as their separate estate for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid, conveys and warrants to WILKINS DISTRIBUTING CO., INC., a Washington corporation the following described real estate, situated in the County of Kitsap State of Washington:

Lots 15 and 16 and the East 5 feet of Lot 17, Block 2, Bremers First Addition to Bremerton, as per plat recorded in Volume 3 of Plats, Page 4, records of Kitsap County, Washington.

SUBJECT TO easements, covenants and conditions of record; SUBJECT TO a Lease, a Memorandum of which was dated August 16, 1961 and recorded October 13, 1961 of which the grantee herein presently holds the Lessee's interest; FURTHER SUBJECT TO Assignment of said leasehold dated February 13, 1985 and recorded February 21, 1985 from the grantee herein to William D. Wilkins and Lois E. Wilkins, husband and wife, and recorded under Kitsap County Auditor's Recording No. 8502210095 and FURTHER SUBJECT TO Assignment of said leasehold from the grantee herein to William D. Wilkins and Lois E. Wilkins, husband and wife, recorded under Kitsap County Auditor's Recording No. 8502210096.

Dated July 31, 19 85

Paul W. Hains
 (Individual)
William P. Forhan
 (Individual)

By _____
 By _____
 (Secretary)
 NO. 4406
 KITSAP COUNTY
 TRANSACTION EXCISE TAX
 AUG 5 1985

STATE OF WASHINGTON } ss.
COUNTY OF KITSAP

STATE OF WASHINGTON } ss.
COUNTY OF

On this day personally appeared before me PAUL W. HAINS, WILLIAM P. FORHAN and THOMAS W. FORHAN to me known to be the individual described in and who read and the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

On this _____ day of _____, 19 __, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____

and _____ to me known to be the _____ Secretary, _____ and _____ Secretary, _____

GIVEN under my hand and official seal this 31st day of July 19 85

Arvo [Signature]
 Notary Public in and for the State of Washington, residing at Bremerton

They preparation that expressly acknowledged
 Date _____
 Office _____
 Said to _____
 Witness _____
 My Seal _____
 STATE OF Washington
 DEPT. OF REVENUE
 Conveyance Tax
 12000

Witness _____ and seal hereunto affixed the day and year first above written

MEMORANDUM OF LEASE

Form 0-270 10-59

5757029

THIS INDENTURE, dated the 16th day of August, 1961,
by and between ARTHUR G. LINS and GARRIE M. LINS, his wife
2015 - 6th Street, Bremerton, Washington (Lessor)
and TEXACO INC., a Delaware corporation, having a place of business at
Seattle 11, Washington (Lessee)

WITNESSETH:

That for the term and upon the terms and conditions set forth in that certain written service station lease bearing date August 16, 1961, from Lessor to Lessee, the Lessor has leased, and does hereby lease unto
Lessor a tract of land, with the improvements thereon, in the City of Bremerton
County of Kitsap State of Washington, described as follows:
The West 25 Feet of Lot 17 and all of Lot 18, Block 2, Bremers
First Addition to Bremerton, Washington.

6784
A. M.
2-11

10-13-61
10-13-61

Together with all appurtenances thereto, and all right, title and interest of Lessor in and to any and all roads, streets and
ways connecting said premises
Said lease contains a first refusal option to lessee to purchase said premises
Said lease contains an option to Lessee to purchase said premises

It is understood that the service station lease above referred to constitutes the complete agreement of lease between
the parties subscribed their names the day and year first above

STATE OF CALIFORNIA
COUNTY OF

Arthur G. Lins
Arthur G. Lins
GARRIE M. LINS
GARRIE M. LINS (DEAL)

On October 3, 1961
before me, the undersigned, a Notary Public in and for
said County and State, personally appeared
H. E. PAUL

By H. E. Paul
H. E. PAUL, GENERAL SALES MANAGER, PACIFIC COAST REGION

known to me to be the General Sales
Manager and RAYMOND PRALL
known to me to be the Secretary of
the Corporation, that executed the within instrument,
known to me to be the persons who executed the within
instrument on behalf of the Corporation therein
named, and acknowledged to me that said Corporation
executed the within instrument pursuant to the bylaws
or a resolution of its board of directors.

WITNESS my hand and official seal.
Raymond Prall
Notary Public in and for said County and State.

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

8502210093
EXCISE TAX EXEMPT

FEB 21 1985

KITSAP COUNTY
TREASURER

After recording return to:

Gary T. Chrey
Shiars, Kampa & Chrey
600 Kitsap Street, Suite 202
Port Orchard, WA 98366

1985 FEB 21 PM 1:52
Shiars, Kampa & Chrey

SHERRIL HUFF
KITSAP COUNTY AUDITOR
DEPUTY - 2

ASSIGNMENT OF LEASE
FOR SECURITY PURPOSES ONLY

THIS AGREEMENT is hereby made and entered into this 13TH day of FEBRUARY, 1985, by and between Wilkins Distributing Co., Inc., a Washington corporation, hereinafter referred to as the Assignor, and William D. Wilkins and Lois E. Wilkins, husband and wife, hereinafter referred to as the Assignee.

W I T N E S S E T H:

WHEREAS, by written lease dated August 16, 1961, Arthur C. Line and Carrie M. Line, his wife, leased the premises legally described on Exhibit A attached hereto, which by this reference is incorporated herein as though fully set forth, to Texaco, Inc., a Delaware Corporation; and

WHEREAS, the interest of Texaco, Inc. in the aforementioned lease has been assigned to the Assignor herein; and

WHEREAS, the Assignor is desirous of assigning to the Assignee its interest in the aforementioned lease for security purposes only for the purpose of securing its performance under the terms and conditions of that certain "Stock Purchase Agreement, Security Agreement and Option Agreement" effective the 1st day of January, 1982 and of that certain "Acknowledgment of Exercise of Option and Amendment to Stock Purchase Agreement, Security Agreement and Option Agreement" of the 21st day of February, 1984 and of that certain "Stock Retirement Agreement and Second Amendment to Stock Purchase Agreement, Security Agreement and Option Agreement" of even date herewith; and

WHEREAS, it is the mutual desire of the Assignor and the Assignee to effectuate this assignment;

NOW, THEREFORE, it is hereby agreed as follows:

For and in consideration of the mutual benefits contained

ASSIGNMENT OF LEASE -1-
8502210093

REC-33291973

EXHIBIT A

The West twenty-five (25) feet of Lot 17 and all of Lot 18,
Block 2, Bremers First Addition to Bremerton, Washington.
Situate in Kitsap County, State of Washington.

8502210093

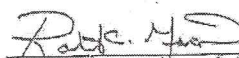
EXHIBIT A


REF 332FR1976

STATE OF WASHINGTON)
) ss
COUNTY OF KITSAP)

On this 13th day of FEBRUARY, 1985, before me, the under-
signed, a Notary Public in and for the State of Washington, duly
commissioned and sworn, personally appeared ROGER A. JENSEN and
WILLIAM B. BELLMAN, to me known to be the President and Secretary
of Wilkins Distributing Co., Inc. described in and who executed
the foregoing instrument, and acknowledged to me that they signed
and sealed the said instrument as their free and voluntary act
and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day
and year in this certificate above written.

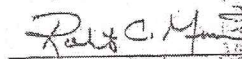

NOTARY PUBLIC in and for the
State of Washington; residing
at SILVERDALE

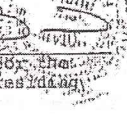


STATE OF WASHINGTON)
) ss
COUNTY OF KITSAP)

On this 13th day of FEBRUARY, 1985, before me, the under-
signed, a Notary Public in and for the State of Washington, duly
commissioned and sworn, personally appeared WILLIAM D. WILKINS,
to me known to be the individual described in and who executed
the foregoing instrument, and acknowledged to me that he signed
and sealed the said instrument as his free and voluntary act and
deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day
and year in this certificate above written.

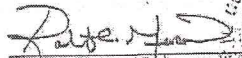

NOTARY PUBLIC in and for the
State of Washington; residing
at SILVERDALE

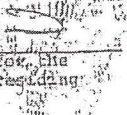


STATE OF WASHINGTON)
) ss
COUNTY OF KITSAP)

On this 13th day of FEBRUARY, 1985, before me, the under-
signed, a Notary Public in and for the State of Washington, duly
commissioned and sworn, personally appeared WILLIAM D. WILKINS,
to me known to be the individual described in and who executed
the foregoing instrument as attorney in fact of LOIS E. WILKINS
therein described, and acknowledged to me that he signed and
sealed the same as his voluntary act and deed and as the free
and voluntary act and deed of the said LOIS E. WILKINS for the
uses and purposes therein mentioned, and on oath stated that the
power of attorney authorizing the execution of this instrument
has not been revoked and that the said LOIS E. WILKINS is now
living.

WITNESS my hand and official seal hereto affixed the day
and year in this certificate above written.


NOTARY PUBLIC in and for the
State of Washington; residing
at SILVERDALE



8502210093

ASSIGNMENT OF LEASE -3-

NEEL332FR1975

EXCISE TAX EXEMPT
8502210094
FEB 21 1985

KITSAP COUNTY
TREASURER

After recording return to:

Gary T. Chrey
Shiers, Kamps & Chrey
500 Kitsap Street, Suite 202
Port Orchard, WA 98366

1985 FEB 21 PM 11 53

SHEIRIN HUFF
KITSAP COUNTY AUDITOR
DEPUTY e

ASSIGNMENT OF LEASE
FOR SECURITY PURPOSES ONLY

THIS AGREEMENT is hereby made and entered into this 13TH day of FEBRUARY, 1985, by and between Wilkins Distributing Co., Inc., a Washington corporation, hereinafter referred to as the Assignor, and William D. Wilkins and Lois E. Wilkins, husband and wife, hereinafter referred to as the Assignee.

W I T N E S S E T H:

WHEREAS, by written lease dated August 16, 1961, Arthur C. Lins and Carrie M. Lins, his wife, leased the premises legally described on Exhibit A attached hereto, which by this reference is incorporated herein as though fully set forth, to Texaco, Inc., a Delaware Corporation; and

WHEREAS, the interest of Texaco, Inc. in the aforementioned lease has been assigned to the Assignor herein; and

WHEREAS, the Assignor is desirous of assigning to the Assignee its interest in the aforementioned lease for security purposes only for the purpose of securing its performance under the terms and conditions of that certain "Stock Purchase Agreement, Security Agreement and Option Agreement" effective the 1st day of January, 1982 and of that certain "Acknowledgment of Exercise of Option and Amendment to Stock Purchase Agreement, Security Agreement and Option Agreement" of the 21st day of February, 1984 and of that certain "Stock Retirement Agreement and Second Amendment to Stock Purchase Agreement, Security Agreement and Option Agreement" of even date herewith; and

WHEREAS, it is the mutual desire of the Assignor and the Assignee to effectuate this assignment;

NOW, THEREFORE, it is hereby agreed as follows:

For and in consideration of the mutual benefits contained

ASSIGNMENT OF LEASE -1-

8502210094

REF332PR1977

herein, the Assignor hereby assigns, conveys, and transfers to the Assignee the leasehold interest held by it applicable to the real property legally described on Exhibit A attached hereto, and the rights and responsibilities contained in the aforementioned lease. Provided, however, that this assignment is for collateral purposes only to provide security for the \$1,700,000 personal guaranty provided by William D. Wilkins to the Assignor, and until such time as a default shall occur, either in the aforementioned lease, or in the payment of the obligations and the fulfillment of the responsibilities under the aforementioned documents, the Assignor herein shall be responsible for, and shall insure the full and complete performance of all covenants, conditions, stipulations, responsibilities and other requirements of said lease.

IN WITNESS WHEREOF, the undersigned have this day set their hands and seals hereto.

WILKINS DISTRIBUTING CO., INC.

By *Joseph A. Gussner* Pres.
President

By *William B. Bellman* Sec.
Secretary

William D. Wilkins
WILLIAM D. WILKINS

Lois E. Wilkins
LOIS E. WILKINS

8502210094

ASSIGNMENT OF LEASE -2-

REC-332FR1978

