

April 27, 2016

VIA EMAIL AND CERTIFIED MAIL

Dale Myers
Washington State Department of Ecology
Toxics Cleanup Program
3190 160th Ave SE
Bellevue, WA 98008-5452

**Re: Newman's Chevron - 2021 6th Street, Bremerton, Washington
Ecology's Proposed Finding of Liability under MTCA**

Dear Mr. Myers:

We represent Nordic Properties, Inc. with respect to environmental issues on property located at 2021 6th Street in Bremerton, Washington (the "Property"). Our current understanding is that Nordic Properties, Inc. was formerly known as Wilkins Distributing Company, Inc. which was the entity that actually owned the Property from approximately the early to mid-1980s to September 1990. For purposes of this letter only, Wilkins Distributing Company, Inc. and Nordic Properties, Inc. will be collectively referred to as "Nordic." However, Nordic Properties, Inc. reserves all rights and defenses that it has regarding whether it is the corporate successor to Wilkins Distributing Company, Inc. subject to liability under the Model Toxics Control Act ("MTCA").

Roger Jensen of Nordic provided us with a copy of the letter dated March 29, 2016 that you sent Nordic notifying it of the Washington State Department of Ecology's ("Ecology") proposed finding that Nordic is liable under MTCA, RCW 70.105D.040, for the release of hazardous substances at the Property (a/k/a "Newman's Chevron").

We continue to review available records on the historic ownership and operation of the Property in addition to environmental reports available on Ecology's Toxics Cleanup Program website. Our review to date indicates that the releases of hazardous substances from the Property may have pre-dated Nordic's ownership or operation from approximately the early to mid-1980s to 1990. Specifically, available information suggests that the releases that caused the contamination at Newman's Chevron likely took place exclusively during Texaco's operation of a service station on the Property from approximately 1961 through approximately the early to mid-1980s. We have enclosed three recorded documents establishing Texaco's lease of the Property for this approximately 24-year time period.

Dale Myers
April 27, 2016
Page 2

For this reason, Nordic cannot accept Ecology's proposed finding that Nordic is a liable person under MTCA for the contamination at the Newman's Chevron site. Nordic instead reserves all rights and defenses that it may have under MTCA related to Ecology's proposed finding that Nordic is a liable person for the contamination.

We are available to discuss this matter further as necessary.

Very truly yours,

JOYCE ZIKER PARKINSON, PLLC

A handwritten signature in blue ink, appearing to read 'Ian Sutton', is written over a horizontal line. The signature is stylized and cursive.

Ian Sutton

cc: Allyson Bazan
Roger Jensen

Enclosure

MEMORANDUM OF LEASE

Form O-170 4-1-59

757029

THIS INSTRUMENT, dated the 14th day of August 1961, by and between ARTHUR C. LINS and CARRIE M. LINS, his wife 2015 - 6th Street, Bremerton, Washington (Lessor) and TEXACO INC., a Delaware corporation, having a place of business at 600 Republic Building, 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

Handwritten initials: CML, C.M.L., H.L.

Lessee 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.

Handwritten initials: CML, C.M.L., H.L.

Together with all appurtenances thereto, and all right, title and interest of Lessor in and to any and all roads, streets and ways bearing 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

we hereunto subscribed their names the day and year first above

STATE OF CALIFORNIA - COUNTY OF Los Angeles

Arthur C. Lins, Carrie M. Lins (Lessor)

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

TEXACO INC. (Lessee)

known to me to be the General Sales Manager and Helvyns Pauling known to me to be the Assistant 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 such Corporation executed the within instrument pursuant to its by-laws as a resolution of its board of directors.

By H. R. Paul (General Sales Manager, Pacific Coast Region) (witness)

WITNESS my hand and official seal.

THOMAS V. BRUBAKER (Notary Public in and for said County and State)

10-13-61

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

8509250102

FILED FOR RECORD
REC. OF Texaco Inc

1985 SEP 25 AM 11:33

SHERILL HUFF
KITSAP COUNTY AUDITOR
DEPUTY S

CUST. FILE #164
6th & NAVAL
BREMERTON, WASHINGTON

When recorded return to:
Tax Dept.
Texaco Inc.
P. O. Box 3756
Los Angeles, CA 90051-1756

DISCLAIMER

Texaco Refining and Marketing Inc., a Delaware corporation, ("TRMI") as successor in interest to Texaco Inc., a Delaware corporation, formerly named The Texas Company, hereby acknowledges that the service station lease dated August 16, 1961, which lease or a memorandum thereof was recorded Volume 739, Pages 722 and 723

Records of
Kitsap County, Washington
between Thomas Forhan and Lydia B. Forhan, his wife,

as Lessor, and TRMI, Texaco Inc. or The Texas Company, a Delaware corporation, as Lessee, has heretofore been terminated or has expired and that it claims no right, title or interest thereunder, or under any prior service station lease to TRMI, The Texas Company or Texaco Inc. covering all or a portion of the land described in the aforesaid lease. It also declares that the options to purchase, if any, contained in said lease or leases were not exercised and have expired.

TRMI does not hereby disclaim its interest in any subsequent service station lease covering all or a portion of the same premises.

DATED: September 3, 1985

TEXACO REFINING AND MARKETING INC.

By: [Signature]
Division Marketing Manager

STATE OF Washington
COUNTY OF King

On September 3, 1985, before me, the undersigned, a Notary Public in and for said state, personally appeared R. A. Dugger, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the agent of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



[Signature]
NOTARY PUBLIC in and for the State of Washington
Residing at Kirkland

8509250102

REEL 354FR 319

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 RECORD
REC. OF *Shiers Kamps & Chrey*
1985 FEB 21 PM 1:55
SHERRIL HUFF
KITSAP COUNTY AUDITOR
DEPUTY *e*

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

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ASSIGNMENT OF LEASE -1-

REC 332 PM 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. Jansen Pres.
President

By William B. Bellman Sr.
Secretary

William D. Wilkins
WILLIAM D. WILKINS

By Lois E. Wilkins
LOIS E. WILKINS

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ASSIGNMENT OF LEASE -2-

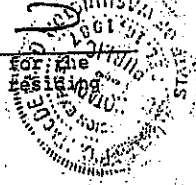
REC-1332781986

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.

Roger A. Jensen
NOTARY PUBLIC in and for the
State of Washington; residing
at SWEDEGAL




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.

Roger A. Jensen
NOTARY PUBLIC in and for the
State of Washington; residing
at SWEDEGAL



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

Roger A. Jensen
NOTARY PUBLIC in and for the
State of Washington; residing
at SWEDEGAL

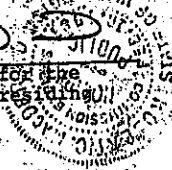


EXHIBIT A

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.

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EXHIBIT A

REC-332PR1988