

JAMES M. SIMS
Director



AFTER RECORDING RETURN TO:

STATE OF WASHINGTON

POLLUTION LIABILITY INSURANCE AGENCY

1015 10th Ave SE • PO Box 40930 • Olympia, Washington 98504-0930 • (206) 586-5997 • FAX 586-7187

9311220170

DEED OF TRUST

FIRST AMERICAN TITLE CO.

40253-LLR

THIS DEED OF TRUST, made this 3rd day of September, 1993, between Robert & Sherry Cobban and Lawrence and Leslie Bates dba Grandy Creek Grocery, as Grantor, whose address is 3794 Highway 20, Concrete, WA 98237; and First American Title as Trustee, whose address is 510 Plum Street SE, Olympia, WA 98507; and Washington State Pollution Liability Insurance Agency, as Beneficiary, whose address is 1015 10th Ave. SE, PO Box 40930, Olympia, WA 98504-0930;

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in trust, with power of sale, the following described real property in Skagit County, Washington:

The Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$; EXCEPT the South 70 rods (1155 feet) thereof; and that portion of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ lying South of the County Road; all in Section 10, Township 35 North, Range 7 East, W.M.,

EXCEPT from all of the above the County Road right of way along the East line thereof, and ALSO EXCEPT that portion thereof conveyed to State of Washington for SSH No. 17-A (now State Highway No. 20) by deed dated November 2, 1949, and recorded January 5, 1950, under Auditor's File No. 440107.

AND ALSO EXCEPT that portion lying within the boundaries of Tract "C" of Short Plat No. 35-79, approved April 30, 1979, recorded May 1, 1979 in Volume 3 of Short Plats, page 106, under Auditor's File No. 7905010039.

Skagit County, State of Washington which real property is not used principally for agricultural or farming purposes, together with all tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any way appertaining, and the rents, issues and profits thereof.

This deed is for the purpose of securing performance of the agreement herein contained, and payment of the sum of **Eighty Thousand, Three Hundred Sixty Dollars and Thirty Eight Cents (\$80,360.38)** in accordance with the terms of the attached agreement, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced by Beneficiary under the agreement.

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BK 1262 PG 0360

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.
2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.
3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary as its interest may appear and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
4. To defend any action of proceedings purporting to affect the security hereof or the rights or powers of Beneficiary of Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and any suit brought by Beneficiary to foreclose this Deed of Trust.
5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred; as provided by statute.
6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at the public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be deposited with the clerk of the court of the county of sale.

5. Trustee shall deliver to the purchaser at the sale, its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint, in writing, a successor Trustee, and upon the recording of such appointment in the mortgage record of the county in which this Deed of Trust is recorded, the successor Trustee shall be vested with all powers of the original Trustee. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the contingent debt set forth in the attached agreement and secured hereby, whether or not named as Beneficiary herein.

Witness the hand(s) of the Grantor(s) on the day and year first above written.

Robert K. Cobban
GRANTOR

Lawrence E. Bates
GRANTOR

Sherry Cobban
GRANTOR

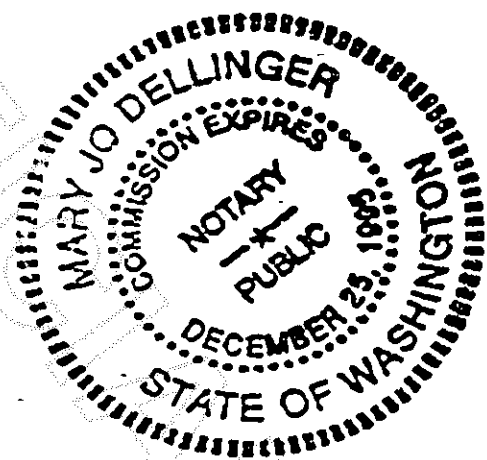
Leslie Bates
GRANTOR

STATE OF WASHINGTON)

COUNTY OF)ss.
)

On this day personally appeared before me Lawrence & Leslie Bates and Robert & Sherry Cobban to me known to be the individual(s) described in and who executed 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.

Signed and sworn to before me this 7th day of September, 1993.



Mary Jo Dellinger
Notary Public in and for the State of Washington,
residing at Cumate

My appointment expires: 12-25-95

REQUEST FOR FULL RECONVEYANCE

TO: TRUSTEE

The Undersigned is the legal owner and holder of the contingent debt set forth in the attached agreement and all other indebtedness secured by the within Deed of Trust. Said debt, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said debt above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to convey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated this ___ day of _____, 200__

PLIA DIRECTOR

Mail Reconveyance to:

Robert & Sherry Cobban, Lawrence & Leslie Bates, dba Grandy Creek
3794 Highway 20, Concrete, WA 98237

JAMES M. SIMS
Director



STATE OF WASHINGTON
POLLUTION LIABILITY INSURANCE AGENCY

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UNDERGROUND STORAGE TANK COMMUNITY ASSISTANCE PROGRAM
GRANT AGREEMENT

CONTRACT NUMBER: USTCAP-PVT-048-93

PROJECT SITE: 3794 Hwy. 20, Concrete, WA 98237

This Agreement, and the incorporated attachment, contains all terms and conditions agreed to by the Pollution Liability Insurance Agency and Robert K. Cobban, dba Grandy Creek Grocery. Attachment A (Work Order) to this Agreement, is hereby incorporated into this Agreement.

The Agency and Robert K. Cobban, dba Grandy Creek Grocery have executed this Agreement as of the date and year written below.

POLLUTION LIABILITY INSURANCE
AGENCY

Name J. M. Sims

Title Director

Date 11-9-93

GRANTEE

Name Robert K. Cobban

Date 9-20-93

Taxpayer Identification Number 601 080 147

APPROVED AS TO FORM BY THE
ATTORNEY GENERAL

Assistant Attorney General [Signature]

Date 11/16/93

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BK 1262 PG 0365



GRANT AGREEMENT

THIS AGREEMENT is entered into between the Washington State Pollution Liability Insurance Agency (PLIA) and Robert K. Cobban, dba Grandy Creek Grocery (Grantee), in order to help bring the Underground Storage Tank (UST) Site located at 3794 Hwy. 20, Concrete, WA 98237 into compliance with appropriate environmental regulations and, if necessary, to help take corrective action for existing contamination at that site.

BACKGROUND

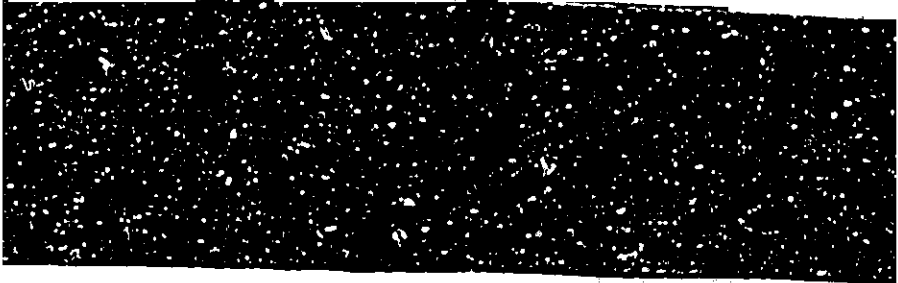
Financial assistance in the form of a grant provided under this Agreement is made possible by the UST Community Assistance Program (Program) authorized by the Washington State Legislature under RCW 70.148, Chapter 374-60 of the Washington Administrative Code, and administered by PLIA. The purpose of the Program is to assist small communities in the state of Washington by ensuring continued access to petroleum to see that vital local government, public health, education and safety needs are met.

DEFINITIONS

1. "Agreement" - Grant Agreement as set forth here and pursuant to the legislative intent of the Program.
2. "Contractor's Agreement" - Contract entered into between the Grantee and the Contractor that the Grantee selects to undertake a construction project at the UST Site pursuant to accomplishing the goals of the Program.
3. "Corrective Action" - Those actions reasonably required to be undertaken to remove, treat, neutralize, contain, or clean up an accidental release of petroleum in order to comply with any statute, ordinance, rule, regulation, directive, order, or similar legal requirement of the United States, the state of Washington, or any political subdivision of the United States or the state of Washington applicable to such an accidental release. Corrective action includes action to remove, treat, neutralize, contain, or clean up an accidental release to avert, reduce, or eliminate the liability of the Grantee for corrective

action, bodily injury or property damage. Corrective action also includes actions reasonably necessary to monitor, assess and evaluate an accidental release. Corrective action does not include:

- A. Replacement or repair of storage tanks or other receptacles;
 - B. Replacement or repair of piping, connections and valves of storage tanks or other receptacles;
 - C. Excavation or backfilling done in conjunction with A or B of this paragraph;
 - D. Testing for a suspected accidental release if the results of the testing indicate that there had been no accidental release.
4. **"Change Order"** - A document signed by the Contractor and the Grantee stating their agreement upon all of the following:
- A. A change in the Work Order;
 - B. The amount of adjustment in the Project cost if any; and
 - C. The extent of adjustment in the time required to complete the Project.
5. **"Cost-Plus Basis"** - Cost of Petroleum to the Grantee plus a specified percentage or amount of profit as agreed between Grantee and Local Government Entities.
6. **"Disability"** - Has a physical, mental or sensory impairment which substantially limits one or more of such person's major life activities. Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; sense organs; respiratory; speech organs; cardiovascular; reproductive; digestive genitourinary; hemic and lymphatic; skin and endocrine; or any mental or psychological disorder such as mental retardation, emotional or mental illness and specific learning disabilities.
7. **"Elderly"** - is any person over the age of forty years.
8. **"Full Time"** - A minimum of 5 days per week, 8 hours per day.
9. **"EPA"** - U.S. Environmental Protection Agency
10. **"Ecology"** - Washington State Department of Ecology.
11. **"Local Government Entity"** - A unit of local government, either general purpose or special purpose, including but not limited to, counties, cities, towns, school districts, fire districts and other governmental and political subdivisions. The local government unit must perform a public purpose and either:

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- A. Receive an annual appropriation;
 - B. Have taxing power; and
 - C. Derive authority from state or local government law enforcement power.
- 12. **"PLIA"** - Washington State Pollution Liability Insurance Agency and its agents and employees or successor(s) in interest.
 - 13. **"Petroleum"** - Crude oil or any fraction of crude oil that is liquid at standard conditions of temperature and pressure (at sixty degrees Fahrenheit and 14.7 pounds per square inch absolute) and includes gasoline, kerosene, heating oils and diesel fuels.
 - 14. **"Underground Storage Tank (UST)"** - Any one or combination of tanks including underground pipes connected thereto that are used to contain an accumulation of petroleum the volume of which (including the volume of underground pipes connected to the tank) is ten percent or more beneath the surface of the ground.
 - 15. **"UST Site"** - The location at which underground storage tanks are in place or will be placed. The UST Site encompasses all of the property with a contiguous ownership that is associated with the use of the tanks.
 - 16. **"Vital local government, public health, education or safety need"** - Means an essential or indispensable service provided by government for citizens.
 - 17. **"Work Order"** - The document(s) setting forth construction, services and other Project parameters, including any Change Order(s), which are attached to and made part of this Agreement as Attachment A.

ASSIGNMENT

The right to receive financial assistance under this Agreement cannot be assigned.

TRANSFER/DELEGATION

If Grantee or any other person or entity with any interest in the UST Site transfers his or her interest in the UST Site while this Agreement is in force, the new owner must agree to be legally bound by the Agreement. PLIA must review and approve the terms of the contract of sale to ensure that it is in keeping with the terms and conditions of this Grant Agreement. Otherwise, the financial assistance provided under this Agreement shall be immediately repaid to the state by the Grantee who received the assistance.

GRANT AMOUNT

The amount payable under this Agreement is \$80,360.38 (Eighty thousand, three hundred sixty dollars and thirty eight cents) and consists of the total Project cost as approved in advance by PLIA and does not exceed Program limits as determined by PLIA or applicable governing laws. Whenever practicable, PLIA will provide assistance to Grantee through joint payment(s) to Grantee and to Contractors and other professionals for labor, materials and other services. The amount and allocation of the grant funds are at the sole discretion of PLIA, subject to limitations under applicable governing laws. Grantee assumes the risk that costs incurred in corrective action or in bringing his or her UST site into compliance with environmental regulations may exceed the amount of grant funds authorized under this Agreement. In the event final costs exceed the approved maximum, the balance is solely the responsibility of the Grantee.

CONDITIONS

1. Grantee shall continue to operate his or her existing business at the UST site selling petroleum full time to the public. Grantee shall continue to maintain such full time retail sale of petroleum products to the public for at least 15 years after project closure as defined in the Contractor's Agreement. Failure to do so is a material breach of this Agreement.
2. Grantee shall sell petroleum to local government entities on a cost-plus basis periodically negotiated between Grantee and the government entities.
3. Grantee shall, on request, provide full service to the elderly and the physically disabled at no increased cost for the service.
4. Grantee shall allow PLIA access to the UST site and all records of the work being performed under the Contractor's Agreement (see Rights of Inspection Section).
5. Grantee shall cooperate with PLIA as necessary to comply with applicable statutes and the legislative intent of the Program.
6. Grantee shall comply with all applicable technical requirements and financial responsibility regulations of the EPA, Ecology and local government(s).
7. Grantee shall, upon project completion, comply with the financial responsibility requirements of EPA and Ecology through the immediate purchase of pollution liability

insurance or any other authorized mechanism, regardless of any other EPA or Ecology compliance dates. If insurance is the chosen vehicle, PLIA shall be named as a loss payee. If another method is selected, there must exist a provision for PLIA to place an appropriate encumbrance on that document.

8. The Contractor's Agreement, including the Work Order and any Change Order(s) must be submitted to and acknowledged as grant eligible by PLIA before Grantee authorizes the performance of any work. Any changes Grantee makes to the Contractor's Agreement without additional acknowledgement by PLIA shall not be considered payable under the Program and shall subject Grantee to any liability forthcoming from such unauthorized changes.

WARRANTY

Grantee warrants that Grantee made no misrepresentations to PLIA in order to receive the benefits of this grant.

Grantee further warrants that Grantee conducted a reasonable credit check on all contractors authorized to perform work under the Contractor's Agreement so as to ensure Contractor's ability to use its credit to acquire the supplies and machinery necessary to perform under the Contractor's Agreement.

SECURITY

The grant funds paid under this Agreement shall be secured by a real property lien properly recorded in the state of Washington upon the UST site. Grantee warrants that Robert K. Cobban is the legal owner of the site and has authorized placement of such lien and will sign the necessary documents for recording the lien. At the expiration of the fifteen (15) year term, PLIA will sign a release of any claim on the real property at the request of the current property owner of record. Actual removal of the recorded lien shall be Grantee's responsibility.

TERM OF THE AGREEMENT

This Agreement shall expire fifteen (15) years from the Project closure as defined in the Contractor's Agreement.

DEFAULT

As determined by PLIA, if Grantee materially breaches this Agreement, the amount of the grant shall immediately become due and payable to the state of Washington.

INSURANCE PROCEEDS

If insurance proceeds are available or become available to Grantee for all or a part of the costs paid by grant funds, Grantee shall assign those proceeds to PLIA.

REPORTING

Grantee shall submit a quarterly report, on a form provided by PLIA, of petroleum business volume and identifying any government contracts currently in effect.

EFFECTIVE DATE

This Agreement becomes effective only with the signing of both it and the Contractor's Agreement. The day of the signing establishes the effective date of this Agreement. No costs incurred prior to that date are eligible for payment under the grant unless specific provision is made by amendment to this Agreement for such costs.

RIGHTS OF INSPECTION

The Grantee shall provide PLIA and other authorized entities the right of access to its facilities at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this Agreement on behalf of PLIA.

HOLD HARMLESS

Grantee shall indemnify and hold PLIA harmless from claims, damages, losses and expenses including, but not limited to, attorney's fees arising out of or resulting from the work performed under the Contractor's Agreement.

Each party executing this Agreement on behalf of a corporation personally represents that he or she is authorized to execute this Agreement on behalf of such corporation and that this Agreement is binding on that corporation.

NON-DISCRIMINATION

During the performance of this Agreement, the Grantee shall comply with PLIA's Non-Discrimination Plan and the Federal and state laws upon which it is based. These laws include: Title VI and VII of the Civil Rights Act of 1964, Executive Order 11246 as amended by Executive Order 11375, Section 503 and 504 of the Rehabilitation Act of 1973, the Age Discrimination in Employment Act of 1967, the Age Discrimination Act of 1975, the 1974 Vietnam Era Veterans Readjustment Assistance Act, the Americans with Disabilities Act of 1990 as amended, including the provisions of Title II as if they were a Public entity, the Civil Rights Act of 1991 and the Washington State Law Against Discrimination, Chapter 49.60 RCW. Requirements of PLIA's Non-discrimination Plan are hereby incorporated by reference, to include, but are not limited to:

- A. Non-discrimination in Employment: The Grantee shall not discriminate against any employee or applicant for employment because of race, color, sex, religion, national origin, creed, marital status, age, Vietnam Era veteran status, disabled veteran status or disability. This requirement does not apply, however, to a religious corporation, association, educational institution or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution or society of its activities.

The Grantee shall take affirmative action to ensure that employees are employed and treated during employment without discrimination because of their race, color, religion, sex, national origin, creed, marital status, age, Vietnam Era veteran status, disabled veteran status or disability. Such action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer, recruitment or selection for training, including apprenticeships and volunteers.

- B. Non-discrimination in Client Services: The Grantee shall not, on the grounds of race, color, sex, religion, national origin, creed, age, or disability:

1. Deny an individual any services or other benefits provided under this Agreement.
2. Provide any service(s) or other benefits to an individual which are different, or provided in a different manner from those provided to others under this Agreement.
3. Subject an individual to unlawful segregation, separate treatment or discriminatory treatment in any manner related to the receipt of any service(s), and/or the use of the Grantee's facilities or other benefits provided under this Agreement.
4. Deny any individual an opportunity to participate in any program provided by this Agreement through the provision of services or otherwise, or afford an opportunity to do so which is different from that afforded others under this Agreement. The Grantee, in determining (1) The types of services or other benefits to be provided; or (2) The class of individuals to whom, or the situation in which such services or other benefits will be provided; or (3) The class of individuals to be afforded an opportunity to participate in any services or other benefits, will not utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination because of their race, color, sex, religion, national origin, creed, age, or disability.

NON-COMPLIANCE WITH NON-DISCRIMINATION PLAN

In the event of the Grantee's non-compliance or refusal to comply with the above Non-discrimination plan, this Agreement may be rescinded, canceled or terminated in whole or in part, and the Grantee may be declared ineligible from further Agreements with PLIA. PLIA shall, however, give the Grantee reasonable time to cure this non-compliance.

UST Community Assistance Program

Contract Number: USTCAP-PVT-048-93

Project Site: 3794 Hwy. 20, Concrete, WA 98237

ATTACHMENT A: WORK ORDER

WORK ORDER

1.1 GENERAL

- 1.1.1 The project consists of: (a) removing and disposing of 3 existing UST(s) (Capacity: 2k, 5k, 500 gal), piping and miscellaneous other equipment, and (b) installing 2 new UST(s) (Capacity: 8k(4k/4k), 8k(2k/6k) gal; Material: Steel sti-P₃; Type: Single Wall), pumps, leak monitoring system, pipes, fittings, paving, and all other equipment for a complete and fully operational UST and petroleum fuel dispensing system that will meet current EPA, Washington State Department of Ecology, local jurisdiction, and all other applicable rules and regulations at project site 3794 Hwy. 20, Concrete, WA 98237.
- 1.1.2 The project requires performance in accordance with "Guidance for Site Checks and Site Assessments for USTs" (Washington State Department of Ecology, February 1991) during the removal of existing UST(s). The Contractor is to allow ample time for delays due to soil sampling, inspection and laboratory analysis.
- 1.1.3 The work included in this contract is defined with this WORK ORDER and the attached drawings.

1.2 PERMITS

- 1.2.1 The Contractor is responsible for complying with any Federal, state and municipal laws, codes and regulations applicable to the performance of the work. Permits or approval for construction activities may be required by the local jurisdiction(s). These may include, but are not limited to, requirements to obtain grading, building or demolition permits, and requirements for compliance with local ordinances pertaining to environmental review under the state Environmental Policy Act (Chapter 43.21C RCW).
- 1.2.2 Prior to commencement of work, the Contractor shall, without additional expense to the Operator, be responsible for obtaining all necessary licenses and permits required by all authorities having jurisdiction for the removal of the existing UST system and for installation of the new UST system. The Contractor must notify all affected utility companies or providers.
- 1.2.3 The Contractor must obtain approval of authorities having jurisdiction for any work which affects existing exit ways, exit stairs, means of egress, or access to or exit from such area. The Contractor must also review with and obtain approval of authorities for any temporary construction which affects such area. Particular attention is directed to approval by fire authorities.

1.3 SITE SAFETY

- 1.3.1 The Contractor must provide protection for all persons and property in accordance with:
- a. WAC Chapter 296-155, Safety Standards for Construction Work.
 - b. WAC Chapter 296-62, Occupational Health Standards.
 - c. 29 CFR; 1910.120, Federal Register.
 - d. All other applicable Rules and Regulations.

1.4 INSURANCE

- 1.4.1 The Contractor shall not commence work under this contract until the Contractor has obtained all insurance required and such insurance has been approved by the Owner/Operator. Approval of the insurance by the Owner/Operator shall not relieve or decrease the liability of the Contractor. Companies writing insurance under this article shall be licensed to do business under Title 48 RCW, or comply with the Surplus Lines Laws of the state of Washington.
- 1.4.2 The insurance coverage shall include claims for damages for personal and bodily injury or death, as well as claims for property damage, which may arise from operations under this Contract whether such operations are by the Contractor or any Subcontractors. The amounts of the required insurance shall not be less than one million dollars per occurrence, two million dollars aggregate.
- 1.4.3 The Contractor shall comply with the Washington State Industrial Insurance Act and, if the work is over water, the Federal Longshoremen's and Harbor Worker's Act, and the Jones Act.
- 1.4.4 The Contractor shall purchase and maintain "stop-gap" insurance for all of the Contractor's employees to be engaged in work on this project under this Contract, and shall require the same of all Subcontractors. In case any class of employees, engaged in hazardous work under this Contract at the site of the project, are not protected by the above coverage, the Contractor shall provide and shall require each Subcontractor to provide compensation insurance and employers' liability insurance with a private insurance company.

END OF ATTACHMENT A