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Kathy Hill, Skagit County Auditor
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RETURN TO:

Patrick M. Hayden
Attorney at Law
P. O. Box 454
Sedro-Woolley, WA 98284

DOCUMENT TITLE(S) (or transactions contained herein):

AGREEMENT BETWEEN THE CITY OF SEDRO-WOOLLEY AND CHEVRON PRODUCTS COMPANY (A DIVISION OF CHEVRON USA, INC.) RESPECTING CLEAN UP OF REAL PROPERTY LOCATED IN SEDRO-WOOLLEY, SKAGIT COUNTY, WASHINGTON

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

GRANTOR(S) (Last name, first name and initials):

- 1. **Chevron, USA, Inc.**
- 2. **City of Sedro-Woolley**

Duplicate
ORIGINAL

GRANTEE(S) (Last name, first name and initials):

- 1. **City of Sedro-Woolley**
- 2. **Chevron, USA, Inc.**

LEGAL DESCRIPTION (Abbreviated: i.e., lot, block, plat or quarter, quarter, section, township and range).

Lots 11, 12, and 13, all in Block 2, "PLAT OF THE TOWN OF WOOLLEY", according to the plat thereof recorded in Volume 2 of Plats, Page 92, records of Skagit County, Washington.

Situated in the County of Skagit, State of Washington.

ASSESSOR'S PARCEL/TAX I.D. NUMBER: **R77455 / R77456/ R112800 / R112801**

[] TAX PARCEL NUMBER(S) FOR ADDITIONAL LEGAL(S) ON PAGE [] OF DOCUMENT

AGREEMENT BETWEEN THE CITY OF SEDRO-WOOLLEY AND CHEVRON PRODUCTS COMPANY (A DIVISION OF CHEVERON USA, INC.) RESPECTING CLEAN UP OF REAL PROPERTY LOCATED IN SEDRO-WOOLLEY, SKAGIT COUNTY, WASHINGTON

This Agreement is entered into by and between the City of Sedro-Woolley, a Washington municipal corporation (hereinafter the "City") and Chevron Products Company a division of Chevron U.S.A. Inc., a California Corporation (hereinafter "Chevron").

WHEREAS, Standard Oil Company of California, the predecessor of Chevron U.S.A. Inc., leased real property located at 124 Ferry Road, Sedro Woolley, Washington, and as more particularly described herein, for the use as a retail service station location (hereinafter the "Property"); and

WHEREAS, petroleum hydrocarbon contamination originating from retail service station operations ("Contamination") was discovered to be present on the Property; and

WHEREAS, Chevron entered into an Environmental Agreements with The Hammer Group and Albert W. and Janice Fredlund, as owners of the Property, whereby it agreed to take such action relating to the Contamination as may be required by government agencies, including but not limited to the Washington Department of Ecology ("WDOE"), with jurisdiction over the Property; and

WHEREAS, pursuant to the above-referenced Environmental Agreement, Chevron has performed assessment and remedial work on the Property, is presently conducting groundwater monitoring activities, and Chevron will continue to need access to the Property to perform its monitoring and remediation obligations under the terms of the Environmental Agreement; and

WHEREAS, the City has acquired the Property from Fredlund and the Sedro-Woolley Chamber of Commerce; and

WHEREAS, the City intends to construct a municipal park on the Property which is compatible with the performance of Chevron's remedial obligations under the Environmental Agreement; and

WHEREAS, it is in the interest of both Chevron and the City to enter into an agreement which accommodates both the development of the Property as a park and Chevron's future remedial obligations;

NOW THEREFORE, the parties hereto agree as follows:



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1. **Parties.** The parties to this agreement are:

- a. the CITY OF SEDRO-WOOLLEY, a Washington municipal corporation.
- b. CHEVRON PRODUCTS COMPANY, a division of CHEVRON U.S.A INC.

2. **Term.** The term of this agreement is for a period of twenty-five (25) years, from June 1, 2000 to June 1, 2025. In the event Chevron has a continuing cleanup obligation at the expiration of the term of this Agreement, the parties shall negotiate an extension of this Agreement, provided, that the clean-up obligations of the parties as set forth in paragraph 4 shall survive the term of this agreement.

3. **Real Property.** This Agreement concerns real property situated in Skagit County, Washington, described as follows:

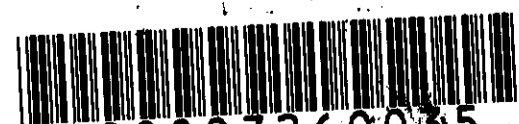
Lots 11, 12, and 13, all in Block 2, "PLAT OF THE TOWN OF WOOLLEY", according to the plat thereof recorded in Volume 2 of Plats, page 92, records of Skagit County, Washington.

The real property is illustrated on the map attached hereto as Exhibit A.

4. **Obligations of the Parties.** City and Chevron reaffirm the provisions contained in the Environmental Agreement dated February 19, 1992, between Chevron U.S.A. Inc. and the Hammer Group, and agree to be bound by the terms thereof respecting the real property described above. Nothing contained in this Agreement is intended to alter, expand, terminate, release or diminish the obligation and rights of Chevron and City regarding the Contamination which is present on the Property, except as expressly set forth herein and in the Environmental Agreement. Except as expressly set forth herein and in the above-referenced Environmental Agreement, the parties hereto reserve all rights, claims, and defenses they may have respecting the Contamination. A copy of the Environmental Agreement and all attachments are appended hereto for reference as Exhibit B.

5. **Environmental Condition of Property and Remedial Plan.** City acknowledges that the remedial activities being undertaken by Chevron on the Property have been performed on a voluntary basis, and that Chevron contends that the presence of the Contamination does not present an unacceptable health and safety risk if permitted to remain in place. Further, City acknowledges herein, that Chevron intends to leave the identified soil Contamination in place and intends to rely upon natural attenuation to passively remediate the Contamination over time. Chevron reaffirms its obligation under the terms of this Agreement and the above-referenced Environmental Agreement to take such action as may be required by WDOE or other government agency with jurisdiction regarding the soil Contamination, which it intends to leave in place to the extent allowed by law.

6. **Chevron's Remedial Obligation.** Chevron agrees that so long as



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Contamination remains present on the Property in soil and /or groundwater in concentrations in excess of mandatory clean-up levels as defined by the Washington Model Toxic Control Act, Chevron shall remain obligated to take such action as may be directed by WDOE, and shall continue to hold harmless and indemnify City against any obligation to perform the directives of the WDOE relating to said Contamination.

7. **Chevron's Access to the Property.** City agrees to provide Chevron with such access to the Property as it reasonably needs to perform its monitoring and remedial obligations relating to the Contamination. Chevron hereby agrees to limit its access to and activities undertaken on the Property to carry out its obligations hereunder.

8. **Restriction on City's Use of the Property.** City agrees for a period of twenty-five (25) years that the Property shall be used only for the purposes of a municipal park, or other similar municipal use, said period commencing on the date of June 1, 2000, and continuing until the date of June 1, 2025. During said period the City shall have the right to use the property for said purpose, subject and subordinate only to Chevron's rights of access set forth at Paragraph 7 above.

9. **Technical Assistance and Design.** Chevron shall provide such reasonable technical assistance to the City as will assist in the design and construction of a park facility on the Property in a manner which will accommodate the future remediation and monitoring of the Contamination by Chevron as described in Paragraphs 4. through 6. above.

10. **Future Work.** Chevron shall retain the right to inspect, modify, remove, and or alter the park facilities constructed by the City on the Property, to facilitate the performance of its monitoring and remedial obligations; provided that Chevron shall restore at its sole cost and expense, such park facilities as were impacted by Chevron's activities to the condition which existed immediately prior to the commencement of Chevron's activities, said repairs and/or replacement impacted park facilities to be completed as soon as practicable after the conclusion of Chevron's activities on the Property.

11. **Payment by Chevron to the City.** Chevron agrees to pay and shall pay to the City a single one-time payment of Seventy Thousand Dollars (\$70,000.00) as compensation for the use of the Property to perform its monitoring and remedial obligations hereunder, and as full, complete and final satisfaction of its obligation to pay any access fees to City under the terms of the Environmental Agreement. The City agrees, upon receipt of the above-referenced sum, to release Chevron from any obligation to pay access fees for the twenty-five (25) year period specified in Paragraph 2 above.

12. **Binding on Successors.** This Agreement shall be recorded with the Skagit County Auditor, and shall be binding upon the heirs, devisees, and successors-in-interest of the parties.



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13. **Enforcement.** This Agreement may be enforced by specific performance or injunctive relief, as well as any other remedy available in law or equity.

14. **Venue and Jurisdiction.** Venue and jurisdiction over the parties and the subject matter of any dispute arising from this Agreement shall be in the Superior Court of Washington for Skagit County, at Mount Vernon, Washington.

Dated: 7/21, 2000.

**CHEVRON PRODUCTS COMPANY, a division
of CHEVRON U.S.A. INC.**

By: [Signature]

Title: Assistant Secretary

Dated: _____, 2000.

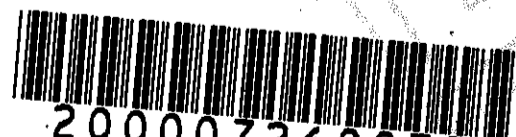
**CITY OF SEDRO-WOOLLEY, a municipal
Corporation**

[Signature]
MAYOR

[Signature]
CITY SUPERVISOR

Approved as to form:

[Signature]
CITY ATTORNEY



STATE OF WASHINGTON)
) SS.
COUNTY OF SKAGIT)

On this day personally appeared before me Sharon Dillon and Eric Stendal, to me known to be the Mayor and City Clerk, respectively, of the City of Sedro-Woolley, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they authorized to execute the said instrument and that the seal affixed is the corporate seal of said municipal corporation.

GIVEN under my hand and official seal this 13 day of July, 2000.

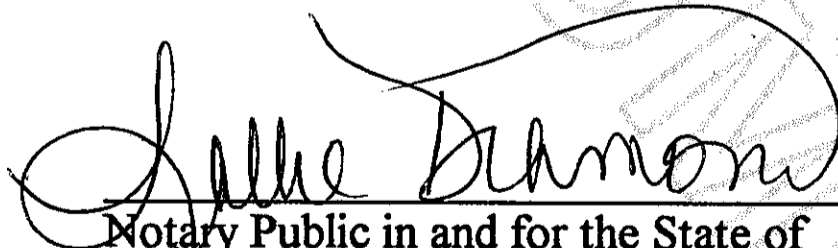


Notary Public in and for the State of
Washington, residing at Sedro Woolley
My Commission Expires: 10-1-2000
Print Name Patrick M. Hayden

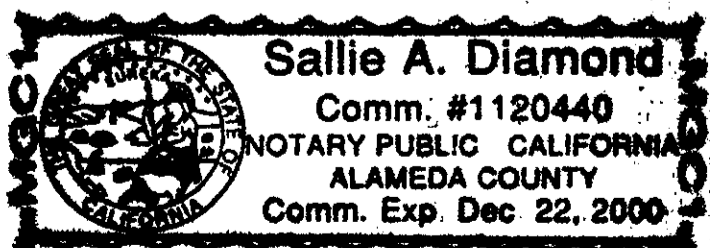
STATE OF CALIFORNIA)
) SS.
COUNTY OF Central Contra)

On this day personally appeared before me (name: Sally D. T. Sherman)
to me known to be the (title: Assistant Director) an authorized agent of
CHEVRON PRODUCTS COMPANY, a division of CHEVRON U.S.A INC., the
corporation that executed the foregoing instrument, and acknowledged the said
instrument to be the free and voluntary act and deed of said corporation, for the uses and
purposes therein mentioned, and on oath stated that they authorized to execute the said
instrument and that the seal affixed is the corporate seal of said corporation.

GIVEN under my hand and official seal this 21 day of July, 2000.



Notary Public in and for the State of
Washington, residing at 6001 Bollinger Canyon SE 94583
My Commission Expires: 12/22/00
Print Name Sallie A. Diamond
Print Name _____



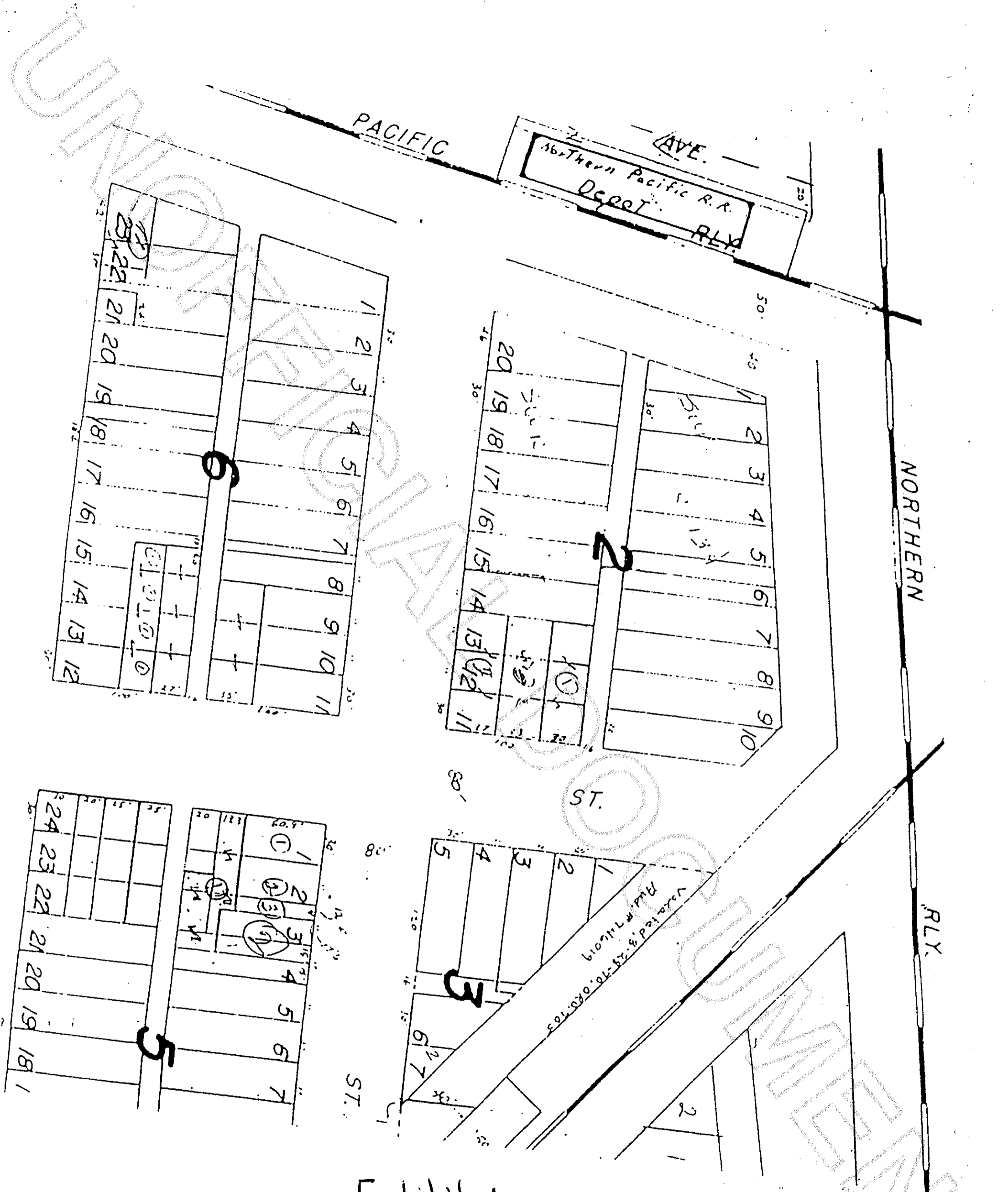


Exhibit A



ENVIRONMENTAL AGREEMENT

This Agreement is entered into as of the 10 day of February, 1992, by and between CHEVRON U.S.A. INC., a Pennsylvania corporation ("Chevron"), and The Hammer Group ("Owner").

WHEREAS, The Hammer Group and Albert W. and Janice Fredlund are the owners of certain real property located at 124 Ferry Road, Sedro Woolley, Washington 98284 (the "Property"); and

WHEREAS, Chevron is the lessee of the Property; and

WHEREAS, Chevron has operated through its sublease dealer a retail service station on the Property; and

WHEREAS, motor fuel hydrocarbon contamination may have resulted from Chevron's service station operations; and

WHEREAS, the parties wish to provide for necessary investigation and/or clean-up of such motor fuel hydrocarbon contamination;

IT IS THEREFORE AGREED AS FOLLOWS:

1. Clean-up

Chevron shall, at its sole cost and expense, perform or cause to be performed such investigation, monitoring and/or clean-up of the motor fuel hydrocarbon contamination on the Property (to the extent said contamination was caused by or resulted from Chevron's retail service station) as may be validly directed by the governmental agencies having jurisdiction (collectively "agencies"). Chevron's obligations under this Agreement shall cease when the directives of such agencies have been satisfied.

2. Manner of Performance

Chevron shall perform such investigation, monitoring and/or clean-up activities in a manner and at times that will not unreasonably interfere with Owner's use of the Property.

3. Access to Property

Owner shall provide Chevron with access to the Property for the purpose of such investigation, monitoring and/or clean-up.

In furtherance thereof, Owner shall, on or before January 31, 1992, execute an easement in the form of Exhibit "A" attached hereto and incorporated herein by this reference, and deliver such easement to Chevron.

Exhibit B

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4. Liens

Chevron shall discharge at once or bond or otherwise secure against all liens and attachments which are filed in connection with such investigation, monitoring and/or clean-up activities and shall indemnify and save the Owner and Property harmless from and against any and all loss, damage, injury, liability and claims thereof resulting directly or indirectly from such liens and attachments.

5. Insurance

In lieu of insurance coverage, Chevron maintains a self-administered claims program with respect to its duties hereunder. Chevron shall require contractors which may perform such investigation, monitoring and/or clean-up to maintain liability insurance coverage in accordance with Chevron's standard practices.

6. Fee

Chevron agrees to pay Owner an access fee for the right to conduct the operations contemplated by this Agreement of \$800.00 per month. Said fee is payable the first day of each calendar month during the term of this Agreement until this Agreement is terminated or cancelled.

7. Indemnification

Chevron agrees to indemnify, defend and hold the Owner harmless from any liabilities, claims, damages, losses, or suits by third persons resulting from any investigation, monitoring and/or clean-up activities conducted on the Property pursuant to this Agreement.

8. Entire Agreement

The mutual obligations and undertakings of the parties hereto as provided herein are the sole and only consideration of this Agreement, and no representations, promises or inducements have been made by the parties hereto other than as appear in this Agreement.

9. Binding Effect

This Agreement is binding upon and inures to the benefit of each of the parties hereto, and their successors, transferees and assigns.

10. Further Assurances

The parties to this Agreement shall execute such other and further documents as may be necessary or proper in order to consummate this Agreement.



11. Captions

The captions and headings used throughout this Agreement are for convenience of reference only and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or aid in the interpretation, consideration or meaning of any provision or the scope or the intent of this Agreement.

12. Compliance with Law

Chevron and Owner shall, in the performance of this Agreement, comply with all applicable laws, ordinances, rules and regulations of governmental and quasi-governmental agencies having jurisdiction.

13. Confidentiality

The parties hereto agree to hold the terms of this agreement in confidence and not to disclose same to any third party without Chevron's prior written consent.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed on the date first written above.

CHEVRON U.S.A. INC.

By *Malcolm J. Davis*

OWNER: THE HAMMER GROUP

By *Philip Glenn*
Mr. Philip Glenn



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