STABBERT MARITIME

Stabbert Yacht and Ship, LLC

FAX COVER

Date: July 18, 2008

To: Melissa Montgomery

Fax: (360) 902-1786

From: Ron Pauley

Fax: 206-547-6010

Re: REP DVC 08-502

Number of Pages: 40 (including this cover)

First package attached. Second to follow.

Thnx,

Ron

SHIPYARD: 2629 NW 54TH STREET, SEATTLE WA 98107
PH (206) 547-6161 FAX (206) 547-6010

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2. Technical Proposal

2.1 Hazmat Material:
- asbestos
- PCBs
- lead paint
- contaminated water
- foam insulation
- fuel oil
- lube oil
- cable ways
- possible glues

2.2 See Attached Procedure

2.3 See Attached Procedure

2.4 Final hazardous waste destination is proposed and expected to be:

Asbestos: Wasco County landfill
The Dalles, Oregon

PCBs: Local certified hauler approved by Regulatory such as Envirotec or Clean Harbor

2.5 Vessel(s) to be towed by tug assist to Contractor's site. All deconstruction to be done at SYS facility/shipyard.

2.6 Non-hazmat debris will be transported by covered and secured forty and twenty yard dumpsters to landfill.

2.7 Landfill to be determined by that used by Waste Management, our debris hauler.

2.8 Drydock to be swept, picked by hand, and wet vac cleaned. Drydock to be pressure washed, water contained, tested, and disposed of in accordance with test results.

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2.9 See Attached Schedule & Cost Proposal.

2.10 See Attached Schedule & Cost Proposal

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SYS Company Information

1.1 Stabbert Yacht & Ship, LLC
2629 NW 54TH Street, #201, Seattle, WA 98107
Principal place of business: Same as above
Telephone: (206) 547-6161, Fax: (206) 547-6010
Website: www.stabbertmaritime.com
Federal tax ID# (b) (6)
UBI: 602 611 287

1.2 Project POC: Ronald Pauley, General Manager
Email: Rpauley@stabbertmaritime.com
Cell: (b) (6)
Office: (206) 204-4121
Fax: (206) 547-6010

1.3 Per the RFP Qualification Requirements, relevant experience in the salvage disposal field in the past 24 months is as follows:

- M/V SAHARA: 100 meter LOA x 15.7m steel beam hull research vessel. Ship was remediated of asbestos, PCBs and lead paint followed by partial deconstruction and refit March 2006 to September 2006. Estimated project value $680,000.00.

- NOAA Ship MCARTHUR: Steel hulled research vessel 175 ft. LOA by 38.2 ft. beam. Vessel went through a major asbestos, fuel oil, PCB and lead paint remediation followed by a deconstruction and rebuild. Dates December 2006 to January 2007. Project value est. $3,200,000.00.

- Unnamed Boat assigned as NRC Incident No. 850098. Estimated 50 foot steel and wood vessel raised from 30 feet water, hazmat abated, deconstructed, and disposed of. Project value estimated $50,000.00.

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Derelict Boats
Expected Subcontractors

Western Towboat Company: Boat Towing

Offshore Express, Inc.: Barge Rental

Performance Abatement Services, Inc., or IRS Environmental: Hazmat Abatement

Laucks Testing Laboratory: Hazmat Testing

Schnitzer Steel: Metal Recycling

Calbag Metals: Metal Recycling

Sound Testing: Marine Chemist

Pacific Industrial Resources: Tank Cleaning

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RFP DVQ 08-502 Exceptions

- Hazmat remediation in the SYS Bid Cost Proposal is limited to the amount referenced in our spreadsheet and as per the attached Performance Abatement Services subcontractor quote. Hazmat in excess of the above shall be treated as a Contract Change Order and billed as additional to the Contract on a Time & Material basis.

- SYS has attached an Estimated Cost Spreadsheet for the M/V Murph but it is a cost estimate only. Given that the bidders could not physically inspect the tug and could not test for hazmat, we are proposing that deconstruction and disposal cost of the Murph be accomplished on a Time & Material basis using a flat labor rate of $55.00/hour for all hours worked and all materials or subcontractors used to be billed on a cost plus 12% basis.

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PAS
PERFORMANCE ABATEMENT SERVICES INC.
422 S. Forest Street
Seattle, WA 98134
206 467-8733 Fax 467-6307
Contractor # PERFOAS134LC

PROPOSAL

"There is no substitute for experience..."

To Customer:	**Stabbert Yacht & Ship, LLC.** **Attn: Ron Pauly** **ronp@stabbertmaritime.com**	Date:	***July 17th, 2008***
		Page One of Five	
		Architect/Engineer:	
Job Name	***Derelict Vessels***	Location	***Tacoma & Bremerton WA***

Performance Abatement Services, Inc. (hereinafter designated as "CONTRACTOR") proposes to furnish all materials and labor required for the application of the following (hereinafter designated as the "Work") for the amount stated below:

Scope of Work: The scope of work is based on a Site Visit. There are no known Surveys or Specs available. This proposal will serve as the sole scope of work.

PAS scope of **Base Bid** work includes the abatement of the following ACM:

- PAS will file PSCAA permits and pay all applicable fees.
- Access via water will be provided by others to and from the vessel.
- Disposal of all PAS created waste. Air monitoring and clearances.
- Closeout package including: air monitoring, daily reports, and disposal manifest.

1. **The Kupakoe : We will abate all of the visibly suspect PACM and PCB's as listed below:**
   - **Vinyl floor covering and VAT tile found in the sleeping quarters and on the stairs.**
   - **We will remove PCB transistors that are visible, and mercury bulbs. $23,000.00**
2. **The Ked: We will abate all of the visibly PACM and PCB's as listed below:**
   - **Poured red PACM concrete flooring. CAB walls and ceilings throughout the vessel.**
   - **PACM exhaust stack insulation. Mercury bulbs throughout the vessel.**
   - **We will remove the PCB transistors that are visible. $68.500.00**

- Price ***excludes*** Sales Tax and Use Tax.
- Price does not include furnishing of bonds. If bonds are required, add 1% to the base price.
- Price includes union wage rates.

In the event CONTRACTOR's price is included within your bid, then CONTRACTOR's bid will be deemed to have been accepted.
This proposal is subject to change and will be withdrawn if not accepted within 30 days of the above date; it is subject to and includes all terms and conditions described herein (and such other terms as may be mutually agreed upon).

Contract Price $	**See Above**	PERFORMANCE ABATEMENT SERVICES, INC.	
Acceptance Date:		By:	
By:		Title:	*Paul Rachina, Estimator*
Customer Name:		By:	
Title:		Approval Date:	

11-99

PERFORMANCE

Stabbert Yacht & Ship, LLC

UNIFIED FIRE SAFETY AND EMERGENCY ACTION PLAN
Effective June, 2006
Updated: March 20, 2008

Table of Contents

1. Purpose of the Plan

2. Work site fire hazards and how to properly control them

3. Alarm systems and how to report a fire

4. How to evacuate in different emergency situations

5. Training documentation and records

DNR-00024455

If the fire is aboard a vessel, everyone on board the vessel shall disembark the vessel.

The employee or a co-worker shall determine that the SFD has been called by dialing 911.

Part 1 - Potential ignition sources for fires and how to control them

SYS personnel will be dealing with a wide variety of potential ignition sources on a regular basis; theses may include: welding of any type, brazing, soldering, heating, use of power actuated tools, overloaded electrical equipment, arcs produced by power tools or portable blowers, damaged power cords including welding leads, smoking, lighters, grinding, sanding, drilling, abrasive blasting, or any other open flame, spark or arc producing activity. Other sources include spontaneous combustion of various materials such as piles of oily rags or fiberglass kicking off in a pot.

To control these potential sources, SYS will monitor every project of every SYS employee and contractor working under SYS supervision. All employees and SYS sub-contractors will be made to understand that all hazards and/or potential fuel sources will be removed from the work site prior to the start of hot work.

Part 2 - Potential fuel sources for fires and how we control them

SYS employees will be working on and around vessels with a wide variety of potential fuel sources for fire. These include the following:

a. diesel fuel and fumes that could be found in bilges, empty or partially filled tanks, voids, piping systems, vent systems, manifold and centrifuges;

b. wide variety of oils with varying flash points such as gear oil, hydraulic oils, oil additives, grease, etc;

c. a wide variety of materials used in the construction and repair or vessel such as:

1. Wood
2. Plastics
3. Insulation
4. Painted surfaces
5. Wiring
6. Dust and debris accumulation
7. Rags
8. Garbage
9. Oil residue in hidden spaces
10. Materials in ships' lockers
11. Dunnage in fish holds
12. Ropes and nets
13. Clothing
14. Carpet
15. Fiber, cardboard and bags
16. Oil soaked debris in bilges
17. Gasoline in containers
18. Flammable gas in torch lines
19. Oxygen in torch lines
20. Refrigerant gases
21. Paints and solvents

The list above describes the most commonly encountered fuel source hazards at SYS but other sources may exist. SYS employees will be continually reminded of these hazards and others, as others become known.

continually watching for and preventing the introduction of fuel source hazards into our designated hot work areas.

3. Alarm systems and how to report fires

A. Demonstration of alarm procedures and work site emergency alarm system

There are two possible alarms procedures:

1. Vessel alarms; on a case by case basis SYS employees will be made aware of any onboard vessel alarm systems and how to properly respond to them.

2. SYS emergency and fire alarm system consists of portable hand held air horns and these will be located at the pier head end of the dry-dock, on the forklifts and one at each worksite.

The portable alarm signals are as follows:

1. Continual short blasts indicate: "come to the source of the signal, urgent help is needed"

2. Continuous uninterrupted blast indicates: "evacuate the area (or vessel), make sure everyone in your work area leaves the area (vessel) and that everyone is accounted for"

B. Procedures for reporting fires

At SYS there is the land line telephone available and most SYS employees (and the SCPs in particular) carry cell phones. The SFD can be called by dialing "9-1-1". The address of SYS is posted and visible from our evacuation assembly areas. Fires deemed beyond the "incipient stage" require calling the SFD immediately by anyone; do not rely on the SCP to make the call as they may well be helping others.

Once the SFD is called, a SYS employee needs to immediately go to the intersection of 26th and Market to assist the SFD in getting to our location.

4. How to evacuate in different emergency situations

A. Emergency escape procedures and route assignments

Each vessel that is moored at SYS will have its own procedures and if a SYS employee is working aboard that vessel, he needs to make sure that he is fully aware of the procedures for that vessel.