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IN THE UNITED STATES DISTRICT COURT
IN AND FOR THE NORTHERN DISTRICT OF CALIFORNIA

---oOo---

ZIMA CENTER, INC.,)	
)	
Plaintiff,)	
)	NO. C92-1708 SBA
vs.)	
)	
ATLANTIC RICHFIELD COMPANY,)	
a corporation, HABER OIL)	
COMPANY, a corporation, and)	
CLIFFORD LEE, an individual,)	
)	
Defendants.)	
)	

DEPOSITION OF
MOHAMMAD ALI MASHHOON

December 10, 1992

CERTIFIED COPY

REPORTED BY: RITA R. LERNER, CSR #3179 JOB (41900)

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EXAMINATIONS

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DEFENDANT ARCO EXHIBITS
MARKED FOR IDENTIFICATION

DESCRIPTION

PAGE

1	"Purchase Agreement and Deposit Receipt"; document titled "Notice to owners, buyers and tenants regarding hazardous wastes or substances and underground storage tanks"; August 28, 1988, "Addendum to Purchase Agreement and Deposit Receipt, dated July 22, 1988," 3 pp total.	17
2	Draft of Plaintiff's Response to Defendant Atlantic Richfield's First Set of Interrogatories, with handwritten notations, and Verification, 5 pp total.	32
3	Interrogatories, Set No. 1, with Mr. Mashhoon's handwritten notations, 3 pp, Notice of Taking Deposition, and Proof of Service.	32
4	United Soil Engineering report, dated April 12, 1990, 20 pp.	33
5	April 23, 1990, letter to Haber Oil Products from Mohammad Mashhoon	39

1 DEFENDANT ARCO EXHIBITS (Continued)
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6	Document titled "Underground storage 41 tank unauthorized release (leak) contamination site report."	
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COMPANY, a corporation, and)
CLIFFORD LEE, an individual,)
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Defendants.)
)

--oOo--

BE IT REMEMBERED that, pursuant to
Notice, and on Thursday, December 10, 1992, commencing
at 9:00 a.m. thereof, at 333 Market Street, Suite
3200, San Francisco, California 94105-2150,
before me, RITA R. LERNER, a Certified Shorthand
Reporter, personally appeared

MOHAMMAD ALI MASHHOON

called as a witness by the Defendant Atlantic
Richfield Company, who having been first duly sworn,
was examined and testified as follows:

--oOo--

JOHN G. WARNER, Attorney at Law, 21
Tamal Vista Blvd., #196, Corte Madera, California

1 94925, appeared as counsel on behalf of the Plaintiff.

2 STEINHART & FALCONER, 333 Market Street,
3 Suite 3200, San Francisco, California 94105-2150,
4 represented by JEFFREY M. HAMERLING, Attorney at Law,
5 appeared as counsel on behalf of the Defendant
6 Atlantic Richfield Company.

7 ARCO, 515 South Flower Street, Los
8 Angeles, California 90071, represented by ROBERT E.
9 KASS, Attorney at Law, appeared as co-counsel on
10 behalf of the Defendant Atlantic Richfield Company.

11 GERARD LAM, Attorney at Law, 1407 Webster
12 Street, #H, Oakland, California 94612, appeared as
13 counsel on behalf of the Defendant Clifford Lee.

14 --oOo--

15 (10:00 a.m.)

16 EXAMINATION BY MR. HAMERLING

17 MR. HAMERLING: Good morning,
18 Mr. Mashhoon.

19 A. Good morning.

20 Q. Would you please state your full name for
21 the record?

22 A. Mohammad. Mohammad Ali Mashhoon.

23 Q. And what is your current address?

24 A. 13775 Campus Drive.

25 Q. In what city?

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A. Oakland, 94605.

Q. Are you currently employed by anyone?

A. Zima Center, Incorporated.

Q. And what is your position with Zima?

A. The president of the company.

Q. And you're also a shareholder of Zima;
correct?

A. That's correct.

Q. What percentage of shares do you own of
Zima Corporation?

A. 45 percent.

Q. You are also a director of Zima
Corporation?

A. I, with other shareholders, are the
directors. Yes, I was also a director, too.

Q. Currently, does Zima Corporation own any
gasoline stations other than the gas station on
High Street in Oakland?

A. No.

MR. WARNER: By the way, Jeff --

(Off-record discussion)

MR. HAMERLING: Q. Mr. Mashhoon, I
know you have had your deposition taken before. I
have taken your deposition before; correct?

A. That's correct.

1 Q. Just to go over, briefly, the groundrules
2 of the deposition, I'll be asking you questions;
3 you'll be providing answers. It's important that you
4 give me as full and complete answers as possible.
5 I'll ask that you pause and let me complete my
6 question before answering it, so the court reporter is
7 not taking down two statements simultaneously.

8 At the end of the deposition, you'll have
9 an opportunity, after the court reporter prepares a
10 transcript, to review the transcript and make any
11 changes. However, I will have an opportunity to
12 comment on those changes at any hearing or trial.
13 Therefore, it is important that you answer today as
14 fully and candidly as possible. Do you understand
15 that?

16 A. Yes, I do.

17 Q. Is there any reason why this deposition
18 can't go forward today?

19 A. There's no reason.

20 Q. Have you taken any medication or any
21 alcohol that would interfere with your understanding
22 of today's proceeding?

23 A. No, sir.

24 Q. Mr. Mashhoon, Zima Corporation purchased
25 the gasoline station on High Street in 1988 from

1 Mr. Clifford Lee; correct?

2 A. That's correct.

3 Q. Prior to the purchase of the station, did
4 Zima Corporation ever operate the High Street gasoline
5 station?

6 A. No, sir.

7 Q. Did anyone from Zima know Mr. Lee prior
8 to the time you first learned about the gasoline
9 station?

10 A. No.

11 Q. How did you learn that the gasoline
12 station was for sale?

13 A. By a realtor.

14 Q. Do you recall the name of the realtor?

15 A. Watson & Watson.

16 Q. At the time, did somebody from Zima
17 approach Watson & Watson and indicate they were
18 interested in buying the gasoline station?

19 A. They approached us.

20 Q. Had you previously done any business with
21 Watson & Watson?

22 A. With the firm, yes.

23 Q. What other transactions had you done with
24 the firm?

25 A. Residential.

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Q. Purchase of residential property?

A. Yes.

Q. Had you ever been involved with using a broker prior to 1988 for the purchase of a gasoline station?

A. I don't recall.

MR. WARNER: You're talking about prior to 1988?

MR. HAMERLING: Yes.

MR. WARNER: Prior to 1988.

THE WITNESS: No.

MR. WARNER: You don't mean him personally, or are you talking about Zima as a corporation?

MR. HAMERLING: Zima as a corporation.

THE WITNESS: No.

MR. HAMERLING: Q. What about yourself personally? Had you ever been involved in the purchase of a gasoline station with the real estate broker prior to 1988?

A. Not through the broker, no.

Q. All right. But you had been involved in the purchase of other gasoline stations prior to 1988; correct?

A. Yes, I did.

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Q. What were those stations?

A. ARCO.

Q. Where were those ARCO --

A. 1401 Grand Avenue.

MR. WARNER: Just a minute. Take your time.

THE WITNESS: San Leandro.

MR. HAMERLING: Q. Any other stations that you were involved with prior to 1988?

A. 15101 Freedom Avenue, San Leandro.

Q. Any others?

A. 90750 Golf Links Road, a Shell.

MR. WARNER: What was the name of the street?

THE WITNESS: Golf Links, Golf Links Road.

1405, I believe, East 14th Street, another Shell. 15201 Washington Avenue, Gas 'n Go. Prior to that, I believe there was --

MR. HAMERLING: Q. About the ARCO station that you operated briefly up in Vallejo --

A. Yes, sir.

Q. -- was that purchased prior to 1988?

A. No.

Q. That was purchased after 1988?

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A. Yes.

Q. Do you recall the year you purchased it?

A. I think, '89. I believe so, yes.

Q. Subsequent to 1988, what other gasoline stations have you been involved with in the purchase?

A. I mentioned -- what do you mean?

Q. Okay. You gave me a list of stations that you were involved with the purchase prior to 1988. We've mentioned the ARCO Vallejo station in 1989. Are there any other stations from 1988 to the present that you have been involved with the purchase?

MR. WARNER: Other than the High Street station?

MR. HAMERLING: Yes.

THE WITNESS: 3701 Cutting Boulevard.

MR. WARNER: What brand was that?

THE WITNESS: ARCO.

MR. WARNER: That's in Richmond?

THE WITNESS: Yes, sir. Richmond, California.

1900 Washington Avenue. 1900 Broadway in Burlingame.

MR. HAMERLING: Q. What station is that?

A. That was Mobil.

1 MR. WARNER: Moe, just for my list,
2 before you had the Freedom Avenue station in San
3 Leandro, what was the other San Leandro station?

4 THE WITNESS: 1401 Grand Avenue.

5 MR. WARNER: And that was also San
6 Leandro?

7 THE WITNESS: Yes, sir.

8 MR. HAMERLING: Q. Okay. Any other
9 stations?

10 A. I don't recall.

11 Q. The two stations in San Leandro -- what
12 brand were those?

13 A. ARCO.

14 Q. Both ARCOs? And are you currently
15 involved as an owner of any of these stations, other
16 than the one on High Street?

17 A. No, sir, no.

18 Q. All the other stations have been sold?

19 A. Pretty much, yes.

20 Q. "Pretty much," meaning that --

21 A. Some of them, leased.

22 Q. Some. Okay.

23 A. Sold interest, the leasehold.

24 Q. When did you purchase the station at 1401
25 Grand Avenue?

1 A. 1976.

2 Q. And the station at 1510 Freedom Avenue?

3 A. 15101, you mean?

4 Q. 15101.

5 A. 1980 or '81.

6 Q. And the Shell station on Golf Links Road?

7 A. '85.

8 Q. And when did you purchase the Shell

9 station on East 14th Street?

10 A. '86.

11 Q. And when did you purchase the Gas 'n Go

12 station on Washington Avenue?

13 A. '87.

14 Q. And when did you purchase the ARCO

15 station on Cutting Boulevard?

16 A. Also '88, I believe. Or '89.

17 Q. And when did you purchase the Broadway

18 Burlingame Mobil station?

19 A. '88. I think it was '88, I believe, or

20 '87. '88. '88. Yes. These dates are --

21 Q. Approximate?

22 A. Yes.

23 Q. I understand.

24 If I understand correctly, the ARCO San

25 Leandro station was, then, the first gasoline station

1 you were involved with in the purchase?

2 A. Yes.

3 Q. Prior to purchasing that station, did you
4 retain anyone to do any inspection of any of the
5 underground storage tanks or pipes connected with that
6 station?

7 A. No. Prior to purchasing the --

8 Q. The one, the 1401 Grand Avenue location
9 in San Leandro.

10 A. No.

11 Q. No?

12 A. No.

13 Q. Do you recall, what was the first station
14 for which you retained anybody to do any type of
15 inspection of the underground storage tanks and
16 pipings prior to your purchasing the station?

17 A. None.

18 Q. None. You never retained anybody?

19 A. Never did.

20 Q. Did you ever insist, as a condition of
21 the sale, that the seller retain somebody to provide
22 you with an inspection report showing that the
23 underground storage tanks were tight and that there
24 were no leaks?

25 A. I didn't. I just took their word for it.

14

1 Q. So with respect to each of the purchases
2 of these stations, you never insisted upon any type of
3 inspection to determine whether the underground
4 storage tanks were tight?

5 A. No, I wasn't too familiar. That's why,
6 maybe. I never did.

7 Q. When did you -- at some point did you
8 become familiar with the fact that sometimes
9 underground storage tanks tend to leak?

10 A. The time that we signed a contract and
11 opened up escrow to sell the High Street.

12 MR. WARNER: This would be the time you
13 sold it to Mr. Tann?

14 THE WITNESS: That's correct.

15 MR. HAMERLING: Q. And that sale to
16 Mr. Tann was approximately in 1988-1989; is that
17 correct?

18 A. The property? 1989, around there, yes.
19 '89 or '90.

20 Q. All right. Let's go back a little bit.
21 If I understand correctly, prior to the
22 sale of the High Street station to the Tans, you never
23 inspected or caused anybody to inspect any underground
24 storage tanks prior to you buying the station; is that
25 right?

1 A. Are you talking about High Street?

2 Q. No, I'm talking about any of your
3 stations.

4 A. No, I don't recall. No.

5 Q. So is my statement correct, that you
6 never hired anybody to inspect?

7 A. To inspect? No, sir, I didn't.

8 Q. Isn't it true, Mr. Mashhoon, that in
9 connection with your purchase of the High Street
10 station from Mr. Lee, someone was hired to do an
11 inspection of the underground storage tanks and pipes?

12 A. No, since it required yearly tank test;
13 required to just do a tank test. No, not inspection.
14 Just do the storage pressure test, I think, or
15 something, because we want to make sure the tanks are
16 tight. I wasn't aware of anything -- other thing
17 environmental required.

18 MR. HAMERLING: Let me have the reporter
19 mark as Defendant's Exhibit 1 a three-page document
20 entitled "Purchase Agreement and Deposit Receipt,"
21 which is page 1.

22 Page 2 is "Notice to Owners, Buyers and
23 Tenants Regarding Hazardous Waste or Substances and
24 Underground Storage Tanks."

25 Page 3 is a letter dated August 28, 1988,

1 entitled "Addendum to Purchase Agreement and Deposit
2 Receipt," dated July 22, 1988.

3 Want to take a look at that?

4 (Whereupon, Defendant's
5 Exhibit 1 was marked
6 for identification.)

7 MR. HAMERLING: Q. Mr. Mashhoon, does
8 the first page of Defendant's Exhibit 1 reflect the
9 purchase agreement between yourself and Mr. Lee
10 concerning the High Street location?

11 A. Would you repeat?

12 Q. Does the first page of Exhibit 1 reflect
13 the purchase agreement between yourself and Clifford
14 Lee concerning the sale of the High Street gas
15 station?

16 A. I believe so. It looks like it.

17 Q. And is that your signature?

18 A. Looks like it.

19 Q. On the second page, which is the Notice
20 to Owners, Buyers and Tenants Regarding Hazardous
21 Waste or Substances in Underground Storage Tanks, is
22 that your signature beneath the acknowledgment of
23 receipt of this copy, this 14th day of July, 1988?

24 A. I cannot read it clearly. I don't know.

25 Q. Do you recall receiving this notice?

1 A. I don't recall right now.

2 Q. Want to take a minute and look at it?

3 A. I can look at it, sure.

4 So, what about it?

5 Q. Do you recall receiving that report?

6 A. I don't recall.

7 Q. Okay. Turning your attention to the

8 third page, Mr. Mashhoon, it's an Addendum to Purchase

9 Agreement and Deposit Receipt dated July 22, 1988, and

10 it's dated August 28, 1988.

11 Do you see your signature on the bottom

12 of that page?

13 A. Yeah, I see that.

14 Q. Okay. Do you recall signing this

15 document?

16 A. Perhaps, yes.

17 Q. Calling your attention to the second

18 paragraph of that document, it states:

19 "Purchasers have conducted an in-depth

20 inspection of the underground gasoline storage

21 tanks and related components through a

22 sophisticated agency of Buyer's choice and are

23 aware of any defects to said system as

24 indicated in said report dated 8/2/88."

25 Do you see that statement?

1 A. This is just tank test.

2 Q. But do you see the statement?

3 A. Yes.

4 Q. Now, was there a report dated 8-2-88?

5 MR. WARNER: If you recall.

6 THE WITNESS: No, I don't recall.

7 MR. HAMERLING: Q. You don't recall

8 whether there was a report?

9 A. Report? I don't think so.

10 Q. Do you recall receiving any information

11 whatsoever regarding the underground storage tanks at

12 the time you bought the High Street gas station?

13 A. Just storage pressure test. That's all.

14 Q. In other words, a tank test came back

15 indicating that the pressure test showed that there

16 were no leaks in the tanks?

17 A. The tanks are okay, yes.

18 MR. WARNER: And that's your

19 understanding of what this was?

20 THE WITNESS: Exactly.

21 MR. HAMERLING: Q. Okay. What Counsel

22 pointed to -- what this was was the statement

23 regarding the report dated 8-2-88; correct?

24 A. Yes, sir.

25 Q. Now, prior to purchasing the station in

1 August 1988, did anyone ever tell you that there had
2 been any leaks from any of the underground storage
3 tanks at the High Street location?

4 A. If it was leaking, I wouldn't buy it.

5 Q. So nobody ever told you that there had
6 been a leak; correct?

7 A. No, no, they didn't. No. That's
8 correct; nobody told me.

9 Q. And did anybody ever tell you, prior to
10 the time you bought the station in 1988, that there
11 had been any spill of any gasoline product at the gas
12 station?

13 A. Not prior.

14 Q. And did anyone tell you, prior to you
15 buying the gasoline station, that there had been any
16 spill or release of any petroleum products whatsoever
17 at the gas station?

18 A. No, sir.

19 Q. Mr. Mashhoon, do you now have any reason
20 to believe that there had been any spill or release of
21 any petroleum products at that gas station prior to
22 your purchase of it in 1988?

23 A. Yes, sir.

24 Q. And what is the basis of your belief?

25 A. When we conduct a soil report to sell the

1 property to Mr. Tann, the report indicated that
2 petroleum slowly has been accumulated and has damaged
3 the water in the ground -- spillage.

4 Q. So if I understand you correctly, it's
5 your understanding that at the time you were to sell
6 the property to Mr. Tann, an environmental report was
7 done at that time; correct?

8 A. When he was -- one of the requirements
9 was by the bank, to loan, to obtain a full report,
10 phase 1 and phase 2.

11 Q. And that report was completed; correct?

12 A. I believe so, because they never lend him
13 money.

14 Q. And that report was done when Mr. Tann
15 was attempting to purchase the underlying property
16 from you?

17 A. Yes.

18 Q. Just in terms of timing, this was after
19 Mr. Tann already was leasing the station from you; is
20 that right?

21 A. He was operating it and he was interested
22 to purchase it, yes.

23 Q. Let's try to get our terms down here so
24 that we don't confuse each other.

25 At some point in time, a gasoline station

1 operator will lease the premises and purchase, if you
2 will, the business. At some times, the gasoline
3 operator -- I'll refer to that as a lessee dealer. Do
4 you understand that term?

5 A. Yes.

6 Q. Some points in time, a gasoline operator
7 will actually purchase the underlying -- own the
8 underlying property and the business. Okay?

9 A. Okay.

10 Q. My understanding is that Zima Corporation
11 currently owns the underlying property and the
12 business at the High Street location; is that right?

13 A. That's correct.

14 Q. Now, when Mr. Tann first came in
15 approximately 1988-1989, Mr. Tann was leasing the
16 station from Zima Corporation; is that right?

17 A. Yes.

18 Q. When he was leasing the station from Zima
19 Corporation, he had already agreed to pay a certain
20 amount for the business initially; is that right?

21 A. That's correct, sir.

22 Q. And I believe in your prior deposition
23 testimony you said that amount was approximately
24 \$160,000; is that right?

25 A. I think 130,000. Somewhere around there,

1 yes.

2 Q. All right. Now, sometime after he
3 started leasing and operating the station, he then
4 attempted to purchase the underlying property; is that
5 right?

6 A. Yes. He was interested to purchase the
7 property, yes.

8 Q. Okay. Is that when an escrow was opened,
9 and it was in conjunction with his purchase of the
10 property that the environmental report was done?

11 A. One of the requirements of the bank from
12 him required, yes. But I didn't know anything else.

13 Q. Okay. Then in terms of timing, when Zima
14 Corporation purchased the gasoline station from Lee in
15 approximately August 1988, Zima actually operated the
16 station for a period of time before it leased the
17 station to Tann; correct?

18 A. That's correct.

19 Q. And if I recall from your prior
20 testimony, you essentially operated the station for
21 about a year before it was leased to Tann in 1989; is
22 that right?

23 A. Approximately.

24 Q. Okay. And during that one-year period
25 from 1988 to 1989, while Zima was operating the

1 station, Zima bought its petroleum products from Haber
2 Oil; is that correct?

3 A. That's correct.

4 Q. And during that period of time from 1988
5 to 1989 prior to Tann taking over, Zima never
6 purchased any gasoline products from ARCO; correct?

7 A. Zima did not, that's correct.

8 Q. Now, it's your understanding that in
9 connection with the environmental report that was done
10 at the time the station was going to be sold from Zima
11 to Tann, the environmental report indicated that there
12 had been petroleum contamination building up over a
13 period of time. Is that what you understand?

14 A. That's what I understood.

15 Q. And that this petroleum product that had
16 been building up over a period of time had occurred,
17 based on your understanding, during the time that Lee
18 owned the gas station?

19 A. That's correct, sir.

20 Q. Did you have any understanding whatsoever
21 as to how that petroleum product got into the soil
22 during the time that Lee owned the gas station?

23 A. I have been advised and told 95 percent
24 of the underground contamination due to negligence of
25 the drivers and the spillage around the neck of the

1 fill, you know, and it goes to the side of the tank.

2 So I was curious to find out how this
3 happens.

4 MR. HAMERLING: Could you read that
5 answer back?

6 (Record read.)

7 MR. HAMERLING: Q. Who were you
8 advised and told that by?

9 A. Several agencies that I -- like one of
10 the companies that wrote the report, as well, and some
11 of the tank testing companies that I used to do
12 testing.

13 Q. Do you recall the names of any?

14 A. I don't.

15 Q. So do I understand correctly that these
16 are third party environmental consultants or tank
17 testers who have told you that, based on their
18 experience, that 95 percent of the contamination
19 occurs through negligence of the drivers in filling
20 the underground storage tanks?

21 A. They experienced. That's what they said.

22 Q. Has anyone at any time ever told you that
23 during the time that Mr. Lee owned the High Street gas
24 station that there was ever a spill of gasoline at
25 that station?

1 A. Prior, you said? Prior to '88?

2 Q. No, at any time.

3 A. Mr. Lee indicated, mentioned many times
4 to me.

5 Q. Mr. Lee told you many times that there
6 had been spills?

7 A. Yes. One day he called. He recalled
8 that the station was filled way all -- I mean the
9 whole ground was covered with gasoline, which -- next
10 day he came, he was so furious. And this is a
11 statement made to me about a week ago.

12 Q. Mr. Lee told you that a week ago?

13 A. Yes, uh-huh.

14 Q. How often have you talked with Mr. Lee
15 within the past year?

16 A. At least once a year, when he comes and
17 collect his rent. Once a month, I mean.

18 MR. WARNER: You don't mean his rent, but
19 his loan payment?

20 THE WITNESS: Payment. Loan payment,
21 yes. That's what I meant, mortgage.

22 MR. HAMERLING: Q. Okay. And
23 Mr. Lee told you, when you talked to him -- was it a
24 few weeks ago?

25 A. Yes. That was -- yeah, I wrote what

1 exactly Mr. Lee said. He recalled several occasions
2 that ARCO had a big spillage on my property at the
3 time of delivery.

4 Q. Did you write that in English or in
5 Farsi?

6 A. I just wrote a note for myself, because
7 this was my scratch papers, and I just wrote: Mr. Lee
8 recalled several occasion found gasoline all over the
9 place.

10 MR. HAMERLING: May I see that, please?

11 MR. WARNER: Hold on. This is his notes
12 also in Answers to Interrogatories that are floating
13 around, so let me make sure there's nothing in here
14 that --

15 (Off-record discussion)

16 MR. WARNER: It's fairly innocuous.

17 MR. HAMERLING: Innocuous.

18 (Counsel hands document to the witness.)

19 MR. HAMERLING: Q. All right. Your
20 note that you were reading, Mr. Mashhoon, states, if I
21 understand correctly, that: Mr. Lee recalls several
22 occasion he found gasoline all over places next day.
23 Is that your note?

24 A. Next day, and -- yes.

25 Q. And that's what Mr. Lee told you?

1 A. Yes, next day, and also he had seen
2 actually spillage, as well.

3 Q. Did Mr. Lee tell you when this spillage
4 occurred?

5 A. We did not discuss that. He says -- I
6 don't know. I didn't know even he was purchasing from
7 ARCO. He was. He said, ARCO delivery people.

8 Q. Well, so he told that you ARCO delivery
9 people spilled product; is that right?

10 A. Exactly, yes.

11 Q. Did he tell you when that occurred?

12 A. I didn't discuss that.

13 Q. Did he tell you whether Haber Oil people
14 spilled product?

15 A. We didn't discuss that. He just
16 discussed ARCO.

17 Q. Did you ask Mr. Lee as to why he didn't
18 tell you, when you purchased the station, that there
19 had been spills at the station?

20 A. Would you repeat?

21 Q. Did you ask Mr. Lee as to why he didn't
22 inform you or disclose to you at the time you
23 purchased the station in 1988 that there had been
24 spills all over the station?

25 A. I didn't ask.

1 Q. At the time you bought the station in
2 1988, did you ask Mr. Lee or the broker at that time
3 as to whether there had been any spills?

4 A. No, sir.

5 Can I have that note, please?

6 MR. HAMERLING: I want to copy it and
7 mark it as an exhibit at the break.

8 THE WITNESS: Let me take a look at it
9 first.

10 MR. HAMERLING: We'll take a five-minute
11 break.

12 (Recess held.)

13 MR. WARNER: Okay. Let's go over these
14 Answers to Interrogatories, and I'll show you what the
15 changes are, and he can --

16 Okay. No. 1, changes would be, in
17 addition to what we've listed here, they also obtained
18 from ARCO kerosene, grease, and gear oil.

19 THE WITNESS: And solvent.

20 MR. WARNER: And solvent.

21 As to No. 3, we're going to add to No. 3
22 these recent statements from Mr. Clifford Lee about
23 Lee's description of spillage by ARCO drivers.

24 No. 4, no change.

25 No. 5, no change.

1 No. 6. The change to No. 6 is that in
2 addition to soil contamination, there's water
3 contamination.

4 No. 7. No change.

5 No. 8. There's a slight change to No. 8.
6 Mr. Mashhoon believes -- he recalls that, if I can
7 state this properly, at the time they were in
8 escrow -- I would assume about 1990, or so, to sell
9 the land portion of the station to Tann, when that
10 sale failed to close because of the contamination
11 discovered by the banks, Mr. Mashhoon recalls that the
12 broker withheld some money that was going to go to
13 Zima to adjust for that to some extent. We're talking
14 about several thousand dollars maybe.

15 THE WITNESS: Yes, few thousand dollars.
16 I don't remember exactly how much was it. But they
17 hired a company they paid -- I think they said the
18 bill came to \$9,000.

19 MR. WARNER: To do the inspection part?

20 THE WITNESS: Yes. The other one they
21 notified -- what do you call those -- state agencies,
22 environmental health.

23 The other one that notified, they sent a
24 report, said we're responsible. I didn't hire them.
25 Mr. Brewster and Mr. Tann, the purchaser, did hire

1 this company. But they kept some of our money in
2 escrow. That's what we have to pay, because sale
3 didn't go through.

4 MR. WARNER: The last change would be to
5 10. Apparently, the first time would be at the time
6 that Tann attempts to purchase the land portion of the
7 station, which again was, we're estimating, in 1990.
8 Maybe it does relate to this same soil engineering
9 report that we've referenced. It may be the same
10 thing. Maybe that's the reason.

11 Was this United Civil Engineering report
12 obtained in connection with the Tann sale? Do you
13 recall that?

14 THE WITNESS: No.

15 MR. WARNER: That's different?

16 THE WITNESS: Yes. But that wasn't
17 complete; that wasn't complete. They had to go to
18 their own water firm, too. So they didn't do that.
19 The other company did that.

20 And the answer for No. 9 --

21 MR. WARNER: Is, in its present form,
22 "yes"?

23 THE WITNESS: Yes.

24 MR. HAMERLING: Let's go back on the
25 record.

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We have been on the record.

The changes that Mr. Warner just gave me were done to a draft of Plaintiff's Response to Defendant's Atlantic Richfield First Set of Interrogatories, which should have been served by this date.

Mr. Warner brought the draft here and has now orally told me the changes that he will be making to them and provide me with a final version, but that these are the witness's responses that the witness will verify under penalty of perjury; is that correct?

THE WITNESS: That's correct.

MR. HAMERLING: We'll mark these changes, with my notations of Mr. Warner's comments, and, obviously -- the record will also reflect Mr. Warner's comments -- as Defendant's Exhibit 2.

We'll also mark, as Defendant's Exhibit 3, a copy of the interrogatories that were referred to by Mr. Mashhoon with respect to his own handwritten comments that reflect his conversation with Mr. Lee, and we'll mark that as Defendant's Exhibit 3.

(Whereupon, Defendant's Exhibits 2 and 3 were marked for identification.)

MR. HAMERLING: Let me ask the reporter

1 to mark as Defendant's Exhibit 4 the United Soil
2 Engineering report dated April 12, 1990, that has been
3 referred to.

4 MR. WARNER: While I'm thinking about it,
5 where are the photographs at this point?

6 MR. HAMERLING: They haven't come back
7 yet. They should be back, hopefully, soon.

8 (Whereupon, Defendant's
9 Exhibit 4 was marked
10 for identification.)

11 MR. HAMERLING: Q. Mr. Mashhoon, after
12 Mr. Tann took over the location and before Zima came
13 back in to operate the gas station, did Mr. Tann ever
14 tell you of any spills that occurred at the location?

15 A. I never spoke to him.

16 Q. To the best of your knowledge, did he
17 ever tell anyone from Zima Corporation of any spills
18 that occurred at the gas station during the time
19 Mr. Tann operated the station?

20 MR. WARNER: To your knowledge.

21 THE WITNESS: To my knowledge? No, I
22 understood he was absent. He operated. That's why.

23 MR. HAMERLING: I didn't hear that.

24 THE WITNESS: I said he never discussed
25 with us. You know, I never had contact with him. He

1 was absent. His manager used to --

2 MR. HAMERLING: Q. Did you or anyone
3 at Zima have any discussion with Mr. Tann's manager or
4 any employee of Mr. Tann's concerning any spills that
5 ever occurred at the station?

6 A. I did not. No, I never did.

7 Q. Do you know of anyone at Zima who ever
8 had any such conversation?

9 A. I don't think so. But I meant we had
10 contact; he used to deliver the rent to the
11 accountant. That's what he did.

12 Q. And that was your sole contact with
13 Mr. Tann?

14 A. That's all. We didn't have any contact.

15 Q. Mr. Mashhoon, turning your attention to
16 Exhibit 4, which is the contamination investigation by
17 United Soil Engineering, why was this report done?

18 A. Just we want to find out how is the
19 condition.

20 Q. Isn't it true, Mr. Mashhoon, this report
21 was done because there had been a significant spill on
22 the location by Haber Oil?

23 A. I don't think so.

24 Q. Do you recall --

25 A. No, I don't recall.

1 Q. Let me finish my question.

2 Do you have any recollection of any type
3 of spill by Haber Oil in approximately early 1990?

4 A. I had been told that there is, yes, there
5 is spill.

6 Q. Who were you told that by?

7 A. I don't recall.

8 Q. What were you told?

9 A. That the negligence of the drivers --
10 they are spilling gasoline on the premises.

11 Q. Who was present at the High Street
12 location at the time of the spill?

13 A. I don't know. It was -- we weren't
14 operating.

15 (Off-record interruption by the court
16 reporter)

17 MR. HAMERLING: He said, "We weren't
18 operating."

19 THE WITNESS: I said, we weren't
20 operating the place, so we didn't know who was.

21 MR. HAMERLING: Q. Is this the time
22 Mr. Tann was operating the location?

23 A. Yes, I believe so.

24 Q. Did somebody from Mr. Tann's operation
25 tell you that Haber Oil had spilled --

1 A. I don't recall how I find out.

2 Q. Again, try to wait until I finish my
3 question before you respond.

4 Now that you do recall that there was
5 some type of report of a spill from Haber Oil, does
6 that refresh your recollection that this particular
7 contamination investigation was then done as a result
8 of that spill by Haber Oil?

9 A. I don't recall.

10 Q. And you don't recall the reason why you
11 requested a contamination investigation?

12 A. I don't know.

13 Q. Do you recall Haber Oil cleaning up the
14 spill that occurred in early 1990?

15 A. Yes, I recall that.

16 Q. You were actually out there at the
17 station and watched them clean up the spill; isn't
18 that right?

19 A. That's correct.

20 Q. And turning your attention to the map of
21 the site location in Exhibit 4, you'll find that in
22 Appendix A.

23 A. Okay. What page?

24 Q. Well, the problem is it's not numbered.

25 MR. WARNER: Here. This is where it says

1 "residential houses."

2 MR. HAMERLING: Right. It's labeled
3 "residential houses," and it's the second page
4 following Appendix A. And it's Figure 2, "approximate
5 location of boreholes."

6 Q. Does this map that we're looking at,
7 Mr. Mashhoon, reflect where the underground storage
8 tanks are located at the High Street gas station?

9 A. Yes.

10 Q. Now, when you were out at the gas station
11 observing Haber Oil cleaning up the spill,
12 approximately where were their clean-up efforts being
13 directed?

14 A. By the drainage. They cleaned the --
15 there is a drainage next to this piping coming from
16 the island.

17 Q. All right. So you're looking at
18 approximately the area where it says "vapor line
19 opening valve, vapor line"?

20 A. Yes, on High Street. There is a drainage
21 there, and this is the low part of the property, low
22 point.

23 Q. So that's where all the -- any of the
24 product that would have drained would settle at that
25 low point that borders on High Street?

1 A. Comes not to High Street itself. On the
2 property there's a low point. It drains right in the
3 drainage area.

4 Q. Okay. If you could take a pen and maybe
5 circle, to the best you can approximate, where the
6 drain is on the property.

7 A. It's approximately -- yes.

8 MR. WARNER: Put the word "drain" beside
9 that. Okay. Got it.

10 MR. HAMERLING: Q. Mr. Mashhoon, where
11 on the property were you told the initial Haber Oil
12 spill occurred?

13 MR. WARNER: Are we talking about the
14 spill that occurred in --

15 MR. HAMERLING: Early 1990.

16 MR. WARNER: -- early 1990?

17 THE WITNESS: I don't know. I just
18 understood there was a spill, so I came on the site.

19 MR. HAMERLING: Q. And by the time you
20 came on the site, was there any evidence of any
21 petroleum product, other than in the -- near the drain
22 area that you identified?

23 A. No.

24 Q. Was there any evidence of any spill near
25 the tanks?

1 A. No. I didn't see any. I saw by the
2 drainage, and they came and cleaned it.

3 Q. After you received the report that's been
4 marked as Exhibit 4, dated April 12, 1990, did you
5 then make a demand to Haber Oil that they participate
6 in the clean-up of the soil investigation?

7 A. No, sir.

8 Q. Let me rephrase that. I misspoke.

9 Did you make a demand to Haber Oil that
10 they participate in the clean-up of any soil or
11 subsurface contamination subsequent to receiving that
12 report dated April 12, 1990?

13 A. I recall I sent them a letter, but I do
14 not know the date exactly related to this report. But
15 I know I notified them and they came to do the
16 clean-up. I put it in writing.

17 MR. HAMERLING: Let's mark as Exhibit 5 a
18 letter dated April 23, 1990, to Haber Oil from
19 Mr. Mashhoon.

20 (Whereupon, Defendant's
21 Exhibit 5 was marked
22 for identification.)

23 MR. HAMERLING: Q. Mr. Mashhoon, is
24 Exhibit 5 a true and correct copy of a letter you sent
25 to Haber Oil concerning the spill that occurred at the

1 High Street location?

2 A. Would you repeat?

3 MR. HAMERLING: Please reread my
4 question.

5 (Record read.)

6 THE WITNESS: Yes. That's correct, I
7 recall.

8 MR. HAMERLING: Q. All right. Did you
9 ever receive any response to that letter?

10 A. Not that I remember. I don't recall.

11 Q. You never got a telephone call; you never
12 got anything in writing?

13 A. I don't recall, no; no, sir.

14 Q. Did you ever have any communication
15 whatsoever with Haber Oil concerning contamination at
16 the location, other than the time you went out there
17 to observe them cleaning up the drain?

18 A. No, sir.

19 (Off-record telephone interruption)

20 MR. HAMERLING: Q. Mr. Mashhoon, did
21 you direct JEDCO Consulting Engineers to do some work
22 for you concerning the investigation of contamination
23 at the High Street location?

24 A. We might have consulted, but I never
25 hired them, that I recall.

1 MR. HAMERLING: Let me have marked as
2 Exhibit 6 a one-page document entitled "Underground
3 Storage Tank Unauthorized Release (Leak) Contamination
4 Site report." It's date stamped May 25, 1990, signed
5 by Mohsen Al-Barazi of JEDCO Consulting Engineers.

6 (Whereupon, Defendant's
7 Exhibit 6 was marked
8 for identification.)

9 MR. HAMERLING: Q. Have you ever seen
10 Exhibit 6 before, Mr. Mashhoon?

11 A. I don't recall.

12 Q. Do you recall Mr. Mohsen Al-Barazi?

13 A. I recall that name. I think he was an
14 engineer for the firm, yes.

15 Q. Now, in looking at this document, this
16 document reflects an unauthorized release at the
17 High Street location, and shows Haber Oil as the
18 responsible party.

19 Do you recall talking with Mr. Barazi
20 about filing such a release with the agencies?

21 A. You -- what do you mean exactly?

22 Q. Did you ever discuss with Mr. Barazi the
23 fact that an unauthorized release contamination site
24 report needed to be filed with the appropriate
25 agencies?

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A. I don't recall.

Q. How many gallons of product were you told were spilled by Haber Oil in connection with this release that occurred in early 1990?

A. I don't recall.

Q. Was it more than 50?

A. I don't know.

Q. More than 20?

A. No quantity was discussed.

Q. Did anyone describe for you at all how much -- how many inches of product were covering the pavement at the location?

A. No, sir.

Q. After the spill was cleaned up, were there evidence of the spill at the location?

A. After the clean-up?

Q. Right. Was the pavement, for instance, eaten away?

A. No, I did not -- no. I didn't see any.

Q. Mr. Mashhoon, calling your attention to the contamination report, Exhibit 4, I believe, the third page, if you want to turn to it --

A. Yes, sir.

Q. -- the first paragraph of that states:
"This contamination investigation is a

1 limited service and the range of services is
2 limited to pre-arranged budgets and time
3 restraints under the agreement with
4 Mr. Mohammad Mashhoon."

5 What type of restraints and limitations
6 did you give these people at the time you retained
7 them?

8 A. I understand that they are not going to
9 go further into the water ground. That's what my
10 understanding is.

11 Q. Okay. You directed them at that time not
12 to do any investigation of the water table; is that
13 correct?

14 A. We did not ask so. We just asked for
15 soil.

16 Q. The last paragraph of page 3 states:

17 "The whole parking area was paved.

18 During our inspection, signs of oil spillage on
19 the part of the property facing Penniman Avenue
20 was visible."

21 Do you know what they were referring to
22 when they referred to "signs of oil spillage"?

23 A. I don't know.

24 Q. Have you ever seen signs of oil spillage
25 next to Periman Avenue?

1 A. Next to Penniman, you mean?

2 Q. Uh-huh.

3 A. I wasn't present when they did the
4 investigation.

5 Q. Have you ever looked at the property that
6 you own to see if you could see signs of oil spillage?

7 A. I don't remember if I did. I don't
8 recall if I seen any, no.

9 Q. Now, you testified earlier today,
10 Mr. Mashhoon, that after this report dated April 12,
11 1990, another report was done because the bank
12 wouldn't accept this report; correct?

13 A. They wanted it more complete.

14 Q. And who performed this additional report?

15 A. Some company. I don't recall the name.
16 It was hired by the buyer and his agent.

17 Q. Did you ever get a copy of the report?

18 A. I might have something in the file; I'm
19 not sure if I have it. But you can get it from the
20 Environmental. I think they gave a report to them.

21 Q. You think they gave a report to the local
22 agency?

23 A. I believe so, because they notify us that *wrong*
24 water has been contaminated.

25 Q. Did this second environmental report

1 indicate how the water became contaminated?

2 A. I don't know.

3 Q. Have you ever seen any report suggesting
4 that the source of the contamination at the property
5 is due to leaks of any of the underground piping?

6 A. I don't recall.

7 Q. Have you ever seen any report indicating
8 that the source of any of the contamination is due to
9 any leakage of the underground storage tanks?

10 A. I don't recall.

11 Q. Are you currently in the process of
12 replacing your underground storage tanks?

13 A. No, sir.

14 Q. Do you intend to replace your underground
15 storage tanks in the future?

16 A. When it's mandatory.

17 Q. Do you currently have a consultant hired
18 to do further investigation of the contamination at
19 the site?

20 A. No, sir.

21 Q. Have you had any discussions with any
22 consultant?

23 A. Not at this point.

24 Q. When was the last time you had a
25 discussion with any environmental consultant?

1 A. I don't recall. Some time ago.

2 Q. More than a year?

3 A. Maybe; maybe less.

4 Q. Are you currently required by the local
5 governmental agency to, in fact, do further study
6 concerning contamination at that site?

7 A. We have conducted tank tests recently for
8 the Environmental. They asked us to. But we have
9 not -- we just received a letter that district
10 attorney received a copy of it -- your water has been *wrong*
11 contaminated -- from the water board.

12 Q. I don't believe I was given a copy of
13 that.

14 MR. WARNER: When did you receive this?
15 How long ago?

16 THE WITNESS: A few weeks ago.

17 MR. HAMERLING: From the district
18 attorney?

19 THE WITNESS: I received it from the
20 water board or from the Environmental -- which water
21 board directed them. I believe it's the water board,
22 yes, when they sent carbon copy to district attorney.

23 MR. WARNER: Do you have a copy? You'll
24 send me a copy?

25 THE WITNESS: Certainly.

1 MR. HAMERLING: I'll get a copy of that?

2 MR. WARNER: Sure. Particularly if it's
3 got ARCO's name on it.

4 MR. HAMERLING: I'll have the reporter
5 mark next in order a one-page letter dated September
6 18, 1990, to Mr. Mashhoon from the Alameda County
7 Health Care Services Agency.

8 (Whereupon, Defendant's
9 Exhibit 7 was marked
10 for identification.)

11 MR. HAMERLING: Q. Mr. Mashhoon, do
12 you recall receiving a copy of Exhibit 7?

13 A. Yes.

14 Q. The report states on page 2:

15 "You are required to perform additional
16 work at the site to determine the extent of the
17 contamination in the soil, and to determine if
18 groundwater has been impacted. Before any work
19 begins, you must submit a work plan to this
20 office, which describes the activities that
21 will be performed. Once the extent of
22 contamination is defined, you need to determine
23 how you will remediate the contamination."

24 Was a work plan ever submitted to the
25 Alameda County Health Care Services Agency?

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A. I don't recall.

MR. HAMERLING: Let me have marked as Defendant's Exhibit 8 a one-page letter dated March 8, 1991, to Mr. Moe Mashhoon, entitled "Notice of Violation, Re: Underground Storage Tank Permit Requirements High Street ARCO, 2951 High Street, Oakland, California..."

(Whereupon, Defendant's Exhibit 8 was marked for identification.)

MR. HAMERLING: Q. Mr. Mashhoon, do you recall receiving this notice of violation from the Alameda Health Care Services?

A. Maybe, yes.

Q. Did you ever pay any fine in connection with any of these violations?

A. I believe we complied as much as we could to require to satisfy them, I think. I mean -- no, I didn't pay any fine.

Q. The second paragraph of that letter states:

"Section 2641 requires that you maintain daily inventory records. Upon inspection there were no inventory reconciliation records available. Inventory records are required to

1 be maintained onsite."

2 Is it true that you did not maintain
3 daily inventory records?

4 A. We did have it, and we provided them with
5 that. That's why they were satisfied. And I kept a
6 copy.

7 Q. The fourth paragraph states:

8 "Section 2644(e-f) requires that
9 quarterly monitoring reports (specifying fuel
10 inventory disparities over the allowable limit)
11 be sent to our office following each three
12 month interval."

13 Did Zima Corporation keep such records?

14 A. Yes, they indicated if it's over 50
15 gallons, I recall. But it wasn't. The variation
16 wasn't significant.

17 Q. So you're claiming that Zima did in fact
18 keep such records?

19 A. Yes, on a daily shift report.

20 Q. And then you would do a quarterly
21 reconciliation?

22 A. If by any chance we see any noticeable
23 figures, you know, of, you know, variation of the gas,
24 then I would pay attention, yes.

25 Q. Okay. Mr. Mashhoon, calling your

1 attention back to the letter dated September 18, 1990,
2 this report asks for certain information, one of which
3 is any information on an installed monitoring well,
4 which was indicated in the report.

5 We have received no information from you
6 in our document request concerning any monitoring well
7 results. Do you have any such results?

8 A. No, I don't.

9 Q. Do you know who does?

10 A. Since it wasn't authorized by me and it
11 was not directed by me, so they never sent me the
12 report. It was done by the buyer.

13 Q. And what was the name of the buyer's
14 broker?

15 A. George Brewster.

16 Q. Do you know where he's located?

17 A. Hesperian Boulevard in Hayward, I don't
18 know. 1212 Hesperian. I don't recall exact numbers.

19 Q. Do you know how you spell Brewster?

20 A. B-r-e-w-s-t-e-r.

21 MR. WARNER: He's around. We reached a
22 settlement with Brewster in an adversary proceeding in
23 this case. He had a commission claim. And that's
24 still -- he's still being paid each month, isn't he?

25 THE WITNESS: Yes.

1 MR. HAMERLING: Q. Mr. Mashhoon, other
2 than what Mr. Lee has told you concerning any spills
3 by ARCO, do you have any knowledge of any other spills
4 by ARCO prior to the time Zima took the location back
5 over in approximately 1990 or 1991?

6 MR. WARNER: Do you understand the
7 question?

8 THE WITNESS: I don't remember; I don't
9 recall. I know exactly what you said.

10 MR. HAMERLING: Q. After Zima took
11 over the location, it, for a while, continued to
12 receive gasoline delivered by ARCO; correct?

13 A. Yes.

14 Q. Mr. Tann had switched from Haber Oil to
15 ARCO for deliveries of petroleum products; correct?

16 A. I believe so, yes.

17 Q. Other than motor vehicle gasoline, did
18 Zima Corporation ever receive any other products from
19 ARCO?

20 A. No, sir.

21 Q. Let me look at those for a second.

22 With respect to Exhibit 2, the response
23 to -- interrogatory 1 asks to identify any and all
24 products other than gasoline delivered by ARCO to 2951
25 High Street.

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And the response, as modified today,
indicates gasoline and crank case oil, kerosene,
grease and gear oil and solvent.

Who told you that ARCO delivered kerosene
to the High Street location?

A. Mr. Lee. He was conducting a repair shop
by it.

Q. Mr. Lee told you that ARCO delivered
kerosene products?

A. Yes.

Q. Is that a "yes"?

A. Uh-huh.

Q. You need to say "yes" or "no."

A. Yes.

Q. Did Mr. Lee tell you that while he was
operating the location, ARCO delivered grease?

A. Yes.

Q. Did Mr. Lee tell you that while he was
operating the location, ARCO delivered gear oil?

A. Yes.

Q. Did he tell you that while he, "he" being
Mr. Lee, was operating the station, ARCO delivered
solvent?

A. Yes, cleaning solvent.

Q. Did Mr. Lee tell you that ARCO delivered

1 crank case oil?

2 A. Yes. ARCO still does.

3 Q. Did ARCO ever deliver crank case oil to
4 Zima Corporation?

5 A. We bought it from the supplier.

6 MR. WARNER: You mean now, or in the
7 past?

8 MR. HAMERLING: Q. At any time in the
9 past did ARCO deliver crank case oil?

10 A. See, we have a mini market, so the mini
11 market -- it comes in the packages. It's an ARCO
12 product. I don't know -- they are not delivering
13 directly, no, no.

14 Q. Okay. You buy that from a distributor?

15 A. For the market, yes. The repair shop is
16 different.

17 Q. Right. And the type of crank case oil
18 that you have in the mini market is the oil that comes
19 in the cans that the customer can then put in?

20 A. In the bottles, plastic bottles, yes.

21 MR. WARNER: But that doesn't come
22 directly from ARCO right now. That comes from
23 somebody else?

24 THE WITNESS: ARCO doesn't -- he gives it
25 to the suppliers. They supply it.

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MR. HAMERLING: Why don't we take a couple-minute break and let me see where the photographs are.

(Recess held.)

MR. HAMERLING: All right. Mr. Mashhoon, I want to mark next order a one-page letter dated November 14, 1992, to the Alameda County Health Care Agency from Richard J. Godfrey.

MR. WARNER: This will be No. 9.

(Whereupon, Defendant's Exhibit 9 was marked for identification.)

MR. HAMERLING: Q. Mr. Mashhoon, has Mr. Godfrey been retained by Zima in connection with bringing the High Street facility into regulatory compliance?

A. I have spoken to him, because prior -- prior to -- yes, Mr. Smith come to our station and require some things. And yes, Mr. Godfrey went over there and telling us exactly how to go about it. That's all.

Q. This letter, if you'll see the second paragraph states:

"...but we shall and have also begun the process to remove and replace all the single

1 walled USTs now in service with double walled
2 tanks as I have been instructed by Mr. Mohammad
3 Mashhoon."

4 Do you see that, Mr. Mashhoon?

5 A. Yes.

6 Q. How come you told me you had no plans to
7 replace the underground storage tanks?

8 A. That does not mean I'm going to do it
9 immediately. Does that indicate a date on this? That
10 means we are planning in 1998.

11 Q. So what this letter is telling the agency
12 is that some time in 1998 you're going to replace the
13 underground storage tanks?

14 A. Yes, it is monetary. I don't have extra
15 money for this.

16 Q. How long has Mr. Godfrey been retained by
17 Zima Corporation?

18 A. What do you mean exactly by "retained"?

19 Q. Well, when did you first hire him?

20 A. We have not signed any contract with
21 anyone.

22 Q. Are you paying Mr. Godfrey for his
23 services?

24 A. I have not paid yet, no.

25 Q. Have you agreed to pay Mr. Godfrey for

1 his services?

2 A. I understood the regulation they require
3 that they put in a -- by the end of this year, they
4 require a probe, what do you call that. It goes to
5 options, anyway. Reconciliate your stick readings or
6 install a unit on the pump that indicates the
7 variation of the gas in the tank. I don't know what
8 you call it. Monitoring on the tank.

9 And Mr. Godfrey, I think, is the agent
10 that has been approved by the thing to be hired to
11 take a look into those, if we want to hire him.
12 That's what -- that is what I exactly understood: To
13 look over. You know, because by the second party it
14 has to be looked over -- our stick reading records.

15 Q. So the first paragraph of this letter
16 which says, "I have been retained by the owners of the
17 High Street facility to bring the same into Complete
18 Regulatory Compliance as soon as possible" -- is that
19 a true statement?

20 A. What that statement exactly means?
21 That's why I say if it's true or not. What do you
22 mean? What is the outcome? What do you get out of
23 it?

24 Q. Has Mr. Godfrey been retained by the
25 owners of the High Street facility to bring the

1 station into complete regulatory compliance?

2 A. No, no.

3 Q. Mr. Mashhoon, isn't it true that you are
4 required to submit a work plan to determine the extent
5 of the soil contamination at the High Street location?

6 A. No. Where do you see that?

7 MR. HAMERLING: We'll have the reporter
8 mark next in order a letter dated October 30, 1992, to
9 Mr. Mashhoon from the Alameda County Health Care
10 Services Agency.

11 (Whereupon, Defendant's
12 Exhibit 10 was marked
13 for identification.)

14 MR. HAMERLING: Q. Mr. Mashhoon, did
15 you receive a copy of this letter?

16 A. I don't recall. That's why I'm reading
17 it. No.

18 Q. You've never seen this letter?

19 A. No.

20 Q. Is this address in Emeryville,
21 California, an address of yours?

22 A. No.

23 Q. Has it ever been an address of yours?

24 A. Yes. This is something very new to me.

25 May I have a copy, please?

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MR. WARNER: I'll get you a copy.

THE WITNESS: Because I didn't know that.

MR. HAMERLING: Mr. Mashhoon, your counsel has brought with him original Polaroid photographs that we have previously received black and white copies of. We have made Xerox color photographs of these copies that I'll have the reporter mark next in order.

MR. WARNER: As a collective exhibit?

MR. HAMERLING: As a collective exhibit.

I'll also ask the reporter to mark, as Exhibit 12, a black and white copy of these photographs that also have the back sides attached to them where there are certain notations on the back sides. The Xerox copy of the color photographs, which have been marked as Exhibit 11, do not include the back sides.

(Whereupon, Defendant's

Exhibits 11 and 12 were marked

for identification.)

MR. HAMERLING: Q. Mr. Mashhoon, calling your attention to Exhibit 11, are you familiar with these photographs?

A. Yes, sir.

Q. And what are these photographs of?

1 A. Showing the instance of gallon spillage
2 by the delivery truck by ARCO.

3 Q. Okay. Now, the photograph, I believe, 8,
4 is labeled "2-17-92." Do you see that?

5 A. Yes.

6 Q. And is that your handwriting?

7 A. I believe so. It was difficult,
8 probably, to write on those kind of paper, so it must
9 have come out like this. Yes.

10 Q. Okay. Now do all of these photographs
11 reflect a spillage that occurred on February 17, 1992?

12 A. I believe so, yes.

13 Q. Were you the one who took these
14 photographs?

15 A. Yes.

16 Q. Now, would Exhibit 1 -- or photograph
17 No. 1 be the first of the photographs that you took?

18 A. I don't know. It's not in order. I
19 don't know. Probably they were labeled.

20 Q. Were you at the station at the time the
21 spill occurred?

22 A. Yes.

23 Q. Describe for me what happened.

24 A. I was notified by somebody that gas is
25 spilled. I was inside of the store. So when I saw

1 that, I wanted good evidence of showing the negligence
2 of ARCO deliveries.

3 Q. Who told you or who notified you that gas
4 had spilled?

5 A. I think I was notified by one of the
6 customers.

7 Q. Now, turning your attention back to the
8 site map on Exhibit 4, I want you to try to identify
9 for me the approximate location that the spill
10 occurred.

11 A. May I just mark it?

12 Q. Yes.

13 (Witness marking diagram)

14 Q. You circled the entire area that is
15 basically above the four underground storage tanks; is
16 that right?

17 A. Pretty much so, yes.

18 Q. How many feet did the product occupy on
19 the ground?

20 A. I don't know.

21 Q. Was it more than three feet?

22 A. I don't know. I don't recall.

23 Q. More than six feet?

24 A. I didn't pay any attention. I didn't pay
25 any attention to that. It wasn't important for me.

1 Q. Did you go out there and photograph the
2 spill immediately after you were told that there had
3 been some spillage?

4 A. When I got there, I was a little bit
5 busy. When I got there, I saw the gentleman was
6 cleaning it and still the remaining left, and I took
7 pictures.

8 Q. How much time elapsed from the time you
9 were notified of the spill until the time you got
10 there?

11 A. Five minutes.

12 Q. Were you able to smell gasoline product?

13 A. Yes, sir.

14 Q. Who was cleaning the spill at the time
15 you got there?

16 A. The driver himself.

17 Q. And if you'll look at the Exhibit 12, the
18 notation on the back of photograph 13 indicates: "On
19 2-17-92 at 11:35 a.m. delivery gas spillage by Mr.
20 Wallace."

21 Was Mr. Wallace the driver?

22 A. I believe so.

23 Q. Did you talk to Mr. Wallace that day?

24 A. I asked him for his name.

25 Q. Did you ask him anything else?

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A. No.

Q. Were any other words said between you and Mr. Wallace that day?

A. I don't recall.

Q. Did you overhear Mr. Wallace tell anybody else anything concerning the spill?

A. I don't recall.

Q. Did you ask Mr. Wallace what happened?

A. No, I didn't.

Q. Did anybody tell you how the spill occurred?

A. No, they didn't.

Q. Do you have any understanding today as to how the spill occurred?

A. I believe he put the hose very loose. When he opened it, it came right off; the hose came off the -- it fell off from the truck.

Q. Your understanding is that the hose that connects the truck to the underground storage tanks came apart at the truck?

A. At the truck side, and I don't know exactly where. But this is what my understanding -- the amount of the spill I saw. I assumed it must have come off. I did not ask.

Q. Do you have any way at all of estimating

1 the amount of the spill?

2 A. No, sir, because by the neck of the tank
3 is so soft and it's sand. It soaks right into the
4 ground immediately. So I could not estimate how much
5 gas spilled.

6 Q. Did you have an understanding that if a
7 spill occurs on your property over a certain number of
8 gallons, you have to report that?

9 A. I don't know.

10 Q. Now, you said that the ground is so soft
11 that the gasoline is just absorbed in the ground?

12 A. I didn't say "ground." I said around the
13 neck -- the fill pipe, they call it, of the tank, it's
14 all sand. It's a gravel --

15 Q. And was that the area where most of the
16 spill was located -- was around the neck of the fill
17 pipe?

18 A. It was around there. I don't know; I
19 don't recall exactly where -- you know, whether -- but
20 I saw the spillage around there.

21 Q. Well, when you say you saw the spillage
22 around there, was the spillage more than, say, four
23 feet?

24 A. I think if you take a look at the
25 picture, you can estimate approximately. I did not

1 pay attention. I took anything I saw. If gas is all
2 over, I tried to take the best shot I could. I did
3 not have enough film or I would have taken more film.

4 Q. Now, if you will look at photograph
5 No. 9, where the photograph states "More spillage,"
6 was this a different area of spillage than the
7 spillage that you've just been describing?

8 A. I believe so.

9 Q. Why don't we go through these one by one,
10 Mr. Mashhoon.

11 If you would take the page of Exhibit 11
12 that starts with photograph 13, see that? Now,
13 photograph 13 is labeled, "Gas spillage by ARCO
14 delivery man." Was this picture taken after the
15 delivery truck had left?

16 A. I don't recall.

17 Q. Now, we see a neck of what appears to be
18 a pipe coming out of the ground in photograph 13. Do
19 you see that?

20 A. Yes. I think this is reflection of
21 trees, branches.

22 Q. Okay. Now, is the spillage area in
23 photograph 13 the area that is immediately in the top
24 right corner of photograph 13?

25 A. All of it.

1 Q. You're saying the entire photograph 13
2 reflects spill?

3 A. I believe so, yes.

4 Q. What about photograph 8? That shows the
5 area beneath the ARCO truck; correct?

6 A. Some part of it, yes.

7 Q. Was there some area other than this part
8 beneath the ARCO truck that had gasoline spilled?

9 A. Yes.

10 Q. In relationship to where the ARCO truck
11 was, was the gasoline on the north side -- was there
12 gasoline on the north or south side, or the east or
13 west side of the ARCO truck?

14 A. If you take a look at the picture No. 4,
15 it indicates that it's to the left side of the
16 property, mainly, because this is what you see -- from
17 the curb to the right is an island and then
18 High Street, High Street. On the left side, which is
19 behind the building which the truck is standing, going
20 way up, truck and trailer continues way to the left of
21 the building. And then this spill is all around
22 there.

23 MR. WARNER: So the record is clear, I
24 don't want to sound like I'm testifying here, but
25 Mr. Mashhoon, is it true that High Street generally

1 runs east and west?

2 THE WITNESS: Almost.

3 MR. WARNER: And then this other street,
4 which is called Penniman, would run generally north
5 and south?

6 THE WITNESS: Almost. Not quite. That's
7 correct.

8 MR. WARNER: Are you, then, saying that
9 the truck was located towards the west side of the
10 mini market?

11 THE WITNESS: From south, north. If
12 Penniman is the north-south, the truck is standing
13 parallel to Penniman, which is north-south, which if
14 the truck backs out, it would cross High Street.

15 MR. WARNER: So the truck would be facing
16 heading in the north direction --

17 THE WITNESS: That's correct.

18 MR. WARNER: -- in these photographs?

19 THE WITNESS: That's correct. If we
20 assume that's north, yes.

21 MR. HAMERLING: Q. Did Mr. Wallace
22 move the truck in order to be able to clean up the
23 spill?

24 A. I don't know.

25 Q. Were all of these photographs taken while

1 the truck was in the same location?

2 A. Must have been. I don't recall exactly
3 now. I don't recall.

4 Q. Did Mr. Wallace completely clean up the
5 surface spillage?

6 A. What do you mean by that? You mean
7 taking precautions, handle it in the right way, right
8 manner?

9 Q. No. After Mr. Wallace left, were you
10 able to see any more free product sitting on the
11 ground?

12 A. Yes, sir.

13 Q. How large was the puddle that you
14 continued to see after Mr. Wallace left?

15 A. I don't remember exactly.

16 Q. Was it more than four feet in diameter?

17 A. Maybe.

18 Q. Was it more than eight feet in diameter?

19 A. Maybe, yes, because some of the -- I
20 assume by the things, it's more than eight feet.

21 Q. Do you have any way of knowing, other
22 than looking at these photographs, as to how large the
23 puddles were?

24 A. Which other ways? Only what I recall.

25 Q. And you don't recall, do you?

1 A. I don't recall exactly what size, no, I
2 don't. But a large amount of spillage was visible on
3 the ground. I don't know how big was it. I just took
4 a picture, and I was so busy to resume my duties.

5 Q. What duties were you doing?

6 A. At that time I had sent some people to
7 run errands, so I was conducting -- you know, tending
8 the store.

9 Q. But these photographs were your best
10 effort to try to preserve the evidence of the spill
11 that occurred; right?

12 A. As so, I think so.

13 Q. Was there any portion of the spill that
14 you can recall that you didn't photograph?

15 A. I don't recall.

16 Q. Other than the photographs from this one
17 occasion that occurred on February 17th, 1992, did you
18 ever take any photographs of any other spills by ARCO?

19 A. I did not.

20 Q. Were you ever present at the station when
21 there were ever any other spills by ARCO?

22 A. Yes.

23 Q. On how many other occasions?

24 A. I don't recall exactly how many
25 occasions, but several occasions. I mean, this is

1 something common, believe me.

2 Q. When you say "common," you know, how
3 common was it?

4 A. They are not paying attention. That's
5 what it is. They are so negligent.

6 Q. I'll move to strike as nonresponsive.
7 During the time ARCO delivered product to
8 the Zima location, on how many different occasions was
9 there a spillage?

10 A. I don't recall how many occasions, sir.

11 Q. More than five?

12 A. Yes, sir.

13 Q. More than ten?

14 A. Yes, sir.

15 Q. More than 20?

16 A. Yes, I believe so.

17 Q. Would you characterize that a spill
18 occurred every time ARCO delivered product?

19 A. Not necessarily.

20 Q. Would it be --

21 A. Every -- once every three times, for
22 sure.

23 Q. And when a spill would occur, how much
24 spillage would generally occur?

25 A. I have seen ARCO's as Mr. Lee indicated

1 that he find the place covered with gasoline. I have
2 find it like that too, previously. Not on this
3 location. On different locations as well, too.

4 Q. But you haven't found this -- you haven't
5 found the High Street location covered with gasoline?

6 A. Yes, I have.

7 Q. You have. When was that?

8 A. Early after -- shortly after we took over
9 the station.

10 Q. This would have been in '91?

11 A. Got to be, yes.

12 Q. Did you complain to anyone?

13 A. No, I didn't.

14 Q. Did you ask anybody as to who the truck
15 driver was at that time?

16 A. No, I didn't.

17 Q. Did you make any notes of the spill?

18 A. I just -- I don't know. I just ignored
19 it. I don't know. I made a mistake.

20 Q. Other than this one time on February 17,
21 1992, did you ever make any notes of any other spill
22 by ARCO?

23 A. No, sir.

24 Q. When you said that once every three times
25 there would be a spill by ARCO when it delivered

1 product, approximately how much product would be
2 spilled on the average on that once every three times?

3 A. I don't know.

4 Q. Do you know if it was more than five
5 gallons?

6 A. I think so.

7 Q. Do you know if it would be more than ten
8 gallons?

9 A. I don't know.

10 Q. Mr. Mashhoon, since the sale of the
11 location to Mr. Tann fell through, have you attempted
12 to sell the gas station on High Street?

13 A. I don't think we are able to.

14 Q. And is that because of the contamination
15 of the property?

16 A. Yes, sir.

17 Q. Have you currently gotten any estimate
18 from any environmental consultant as to what the cost
19 would be to clean up the property?

20 A. No, sir.

21 Q. Have you discussed what the cost would be
22 to clean up the property with anyone?

23 A. No, sir.

24 MR. HAMERLING: You go ahead. I'll look
25 over my notes, if you've got a few questions.

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MR. LAM: Okay.

EXAMINATION BY MR. LAM

MR. LAM: Q. Mr. Mashhoon, did you ever apply to the California State Water Resource Control Board for any assistance in your attempt to clean up the toxic waste at the station?

A. No, sir.

Q. You never filed any paper with that agency?

A. No, sir.

Q. And as you sit here today, do you have any evidence that would tend to prove that at the time when you purchased the station from Clifford Lee there was soil contamination?

MR. WARNER: Do you understand the question?

THE WITNESS: Except Mr. Lee's testifying, I mean mentioning it to me that he had find --

MR. LAM: Q. The spillages that you referred to?

A. Yes.

Q. And since you took over the station in 1988, to your knowledge, has Mr. Lee caused any contamination of either soil or water at the station?

1 MR. WARNER: You mean since 1988?

2 MR. LAM: Since 1988.

3 THE WITNESS: What happened? If I caused
4 any?

5 MR. WARNER: No, no. Has Lee caused any
6 spillage since 1988? Lee as opposed to --

7 THE WITNESS: After he sold the property
8 to us?

9 MR. WARNER: Right.

10 THE WITNESS: I don't think so. Except,
11 except --

12 MR. LAM: I'm sorry?

13 THE WITNESS: I don't know if the waste
14 oil tank, which never used by Zima, is the
15 responsibility of Mr. Lee, because we never use that
16 storage tank. And it was filled with used oil and
17 clean-up solvent by Mr. Lee, which was conducting a
18 repair shop at the place. So I don't know it relates
19 to that. But that's the only thing he could cause at
20 this point after 1988.

21 MR. LAM: Q. Well, at the time when you
22 purchased the station from Lee, did you know that he
23 was conducting a repair shop at that premises?

24 A. Yes, sir.

25 Q. And in the tests that you have conducted

1 either through a consultant or which you did
2 personally, did you include the waste oil tank in your
3 inspections?

4 A. No, sir.

5 Q. Were you represented by a broker in that
6 transaction?

7 A. Yes, sir.

8 Q. And before you signed any documents in
9 behalf of Zima, were you given the opportunity to read
10 the documents before you signed it?

11 A. This document that I saw, I know the very
12 last minute we were -- it was put to us at the time of
13 closing the escrow. And they said this is full -- I
14 mean, somehow for leaving the agent only not liable
15 for this. They want to stay away from it. It says:
16 We do not have any knowledge, and we do not want to be
17 part of it. That's all it indicated.

18 Q. You're referring to page 2 of Exhibit
19 No. 2?

20 A. Exhibit No. 1.

21 Q. No. 1. I'm sorry.

22 A. Yes, sir.

23 Q. What about page 3? Before you signed on
24 page 3, did your agent explain to you some of the
25 provisions?

1 A. If you look at it, the contract wrote on
2 July, but these papers are very like August of -- the
3 day that it was closing.

4 No, I don't recall any advice. I wish I
5 had.

6 Q. Are you telling us today that you signed
7 that document without knowing its contents?

8 A. All I can say, I don't know what you mean
9 by that.

10 Q. Which part of my question is it that you
11 don't understand?

12 A. All I know, anybody with the right mind
13 wants to purchase a property clear and free from any
14 kind of contamination. I not looking for trouble, so
15 I do not sign something that I know -- if that's what
16 you're trying to say. I don't know what you -- I
17 mean, cost of clean-up is so severe and expensive that
18 who wants to buy a property with such a problem which
19 Environmental is on your back?

20 Q. But weren't you given the opportunity to
21 conduct whatever investigation or inspection that you
22 wanted before you decided to buy the property?

23 A. At that time, probably we weren't alert
24 and with enough knowledge to know the law and
25 regulations of what they required. And Environmental,

1 I think it was -- I don't know, I don't know.

2 Q. So you elected not to conduct the --

3 A. We assumed the only contamination is
4 caused mainly -- is by if the tank has a hole or
5 something. We did not know other ways of, you know,
6 spillage like -- by spillage or by clean up auto parts
7 or repair shop that they can create this much
8 contamination. We didn't know.

9 Q. Did you inspect the station prior to
10 making an offer on this transaction?

11 A. No, sir. What do you mean by
12 "inspection"? What do you mean?

13 Q. A visual inspection of the premises. Did
14 you look at the station before you made an offer?

15 A. In the front part, because the back side
16 was all fenced. Visually, I took a look, yes, that's
17 correct.

18 Q. Did you see any evidence of spillage or
19 oil contamination at that time?

20 A. I don't recall.

21 MR. LAM: I believe that's all I have.

22 MR. HAMERLING: I just have a couple
23 more.

24 FURTHER EXAMINATION BY MR. HAMERLING

25 MR. HAMERLING: Q. Did Mr. Lee, when

1 you talked to him, tell you that Haber Oil had ever
2 spilled oil on the property?

3 A. No, sir.

4 Q. Did Mr. Lee ever tell you that Haber Oil
5 had ever spilled any petroleum products of any sort on
6 the property?

7 A. No, sir.

8 Q. After you purchased the property from
9 Mr. Lee, you were receiving petroleum products from
10 Haber Oil; correct?

11 A. That's correct.

12 Q. Did you ever observe any spill that
13 occurred by Haber Oil, other than the spill that
14 you've already testified to this morning?

15 A. I don't recall.

16 Q. Did anybody ever tell you that Haber Oil
17 drivers were negligent and would occasionally spill
18 when they would deliver product?

19 A. I don't recall.

20 Q. Okay. Since approximately June of 1992,
21 you have no longer been receiving any ARCO-branded
22 product; is that correct?

23 A. June? I believe so, yes.

24 Q. Who have you been receiving product from?

25 A. From several other companies.

1 Q. What are the names of those companies?

2 A. Ramos Oil, Tandem Energy.

3 MR. WARNER: Slowly.

4 THE WITNESS: Tandem Energy, mainly,
5 Tandem.

6 MR. HAMERLING: Q. Ramos, Tandem.
7 Anyone else?

8 A. That's it.

9 Q. Have you ever observed any spillage as a
10 result of deliveries from Tandem?

11 A. No, sir.

12 Q. Have you ever observed any spillage as a
13 result of any deliveries from Ramos?

14 A. No, sir. I think Ramos -- I don't know
15 if Ramos delivered to this location. But Tandem,
16 mainly. I don't remember Ramos, so don't make it, you
17 know -- Tandem Energy, no, I did not.

18 Q. All right. Since June of 1992, have you
19 ever observed any spillage of any petroleum products
20 in connection with a delivery of gasoline?

21 A. I don't recall.

22 Q. Has anyone who has been working at the
23 station for Zima told you of any spillage since June
24 of 1992?

25 A. No, sir.

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MR. HAMERLING: All right. I have no further questions.

MR. WARNER: I just have a request. I'd like to have these exhibits -- before I give them to the court reporter -- can we go off the record?

MR. HAMERLING: Okay. Fine.

(Off-record discussion)

(Witness excused at 12:40 p.m.)

-oOo-

I declare under penalty of perjury that the foregoing is true and correct. Subscribed at _____, California, this ____ day of _____, 1992.

Witness's signature

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CERTIFICATE OF REPORTER

I, RITA R. LERNER, a Certified Shorthand Reporter, hereby certify that the witness in the foregoing deposition was by me duly sworn to tell the truth, the whole truth and nothing but the truth in the within-entitled cause;

That said deposition was taken down in shorthand by me, a disinterested person, at the time and place therein stated, and that the testimony of the said witness was thereafter reduced to typewriting, by computer, under my direction and supervision;

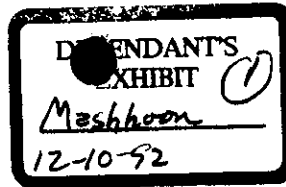
I further certify that I am not of counsel or attorney for either of any of the parties to the said deposition, nor in any way interested in the event of this cause, and that I am not related to any of the parties thereto.

Dated: December 26, 1992.


RITA R. LERNER, CSR #3179



A Full Service Real Estate Corporation
• Offices in major cities •



NO CARBON NEEDED
Do Not Use This Form
For Less Than Four (4) Units

PURCHASE AGREEMENT AND DEPOSIT RECEIPT (Commercial)

RECEIVED FROM Mohammad Mashhoon hereinafter designated as PURCHASER,
the sum of \$ 2,000.00 TWO THOUSAND AND NO/100ths DOLLARS
evidenced by Cash Personal Check Certified Check Cashier's Check Other to be deposited in trust upon acceptance of this offer
as deposit on account of the PURCHASE PRICE OF \$ 290,000.00 TWO HUNDRED NINETY THOUSAND DOLLARS
for the real property situated in the City of OAKLAND County of ALAMEDA State of CALIFORNIA
described as 2951 HIGH STREET, Real property including a service station.

- upon the following TERMS and CONDITIONS
- \$100,000 cash down including the above deposit plus normal closing costs.
 - 190,000 to be carried back by Seller, Secured by a Deed of Trust on the property, bearing interest at 11% per annum, with monthly payments amortized over 10 years, all due and payable within 7 years from date of said note. Note shall carry a standard late payment penalty of 6% of the monthly payment on any payments received 10 or more days delinquent. Note shall carry a "Due On Sale" clause but not holder will have the option to carry for a qualified subsequent trustor. There shall be no "prepayment" penalty.
 - Subject to Buyer obtaining at his expense any desired inspections of the property (tank tests, environmental requirements, City, County, Governmental specifications, etc.) and approving or disapproving same within 30 days from date of acceptance of this offer.
 - Escrow to close within 45 days from date of acceptance of this offer.
 - It is understood that property does not have any rental agreements, leases, service contracts, etc., thereon that cannot be cancelled prior to close of escrow.
 - Buyer will be provided with a list of equipment included in the sale within 5 days from date of acceptance of this offer.
- ADDENDUM. The following addendum of same date, signed and attached hereto is included in this agreement. Addendum No. _____
Other 7. Seller to maintain property in its present condition until close of escrow.

ENCUMBRANCES. In addition to any encumbrances referred to above, Purchaser shall take title to the property subject to: 1) Real Estate Taxes not yet due, and 2) Covenants, conditions, restrictions, rights of way and easements of record, if any, which do not materially affect the value or intended use of the property.
The amount of any bond or assessment which is a lien shall be paid, assumed by Seller

EXAMINATION OF TITLE. 15 (fifteen) days from date of acceptance hereof are allowed the Purchaser to examine the title to the property and to report in writing any valid objections thereto. Any exceptions to the title which would be disclosed by examination of the records shall be deemed to have been accepted unless reported in writing within 15 days. If Purchaser objects to any exceptions to the title, Seller shall use due diligence to remove such exceptions at his own expense within 60 days thereafter. But if such exceptions cannot be removed within 60 days allowed, all rights and obligations hereunder may, at the election of the Purchaser, terminate and end, and the deposit shall be returned to Purchaser, unless he elects to purchase the property subject to such exceptions.

EVIDENCE OF TITLE in the form of: title insurance, other: _____ to be paid for by Buyer

CLOSING. Within 45-60 days from acceptance, or upon removal of any exceptions to title by Seller, as provided above, whichever is later, both parties shall deposit with an authorized escrow holder, selected by undersigned Purchaser, all funds and instruments necessary to complete the sale in accordance with the terms hereof. Thereafter, any party, including Agent, may disclose the terms of sale.

DEPOSIT INCREASE. The deposit shall be increased to \$ N/A within _____ days from acceptance, in the form of _____

POSSESSION. Possession shall be delivered to Purchaser upon recordation of the deed, after recordation, but not later than _____

RISK OF LOSS. Any risk of loss to the property shall be borne by the Seller until title has been conveyed to the Purchaser.

PRORATIONS. Rents, taxes, premiums on insurance acceptable to Purchaser, interest and other expenses of the property to be prorated as of recordation of deed. Security deposits, advance rentals or considerations involving future lease credits shall be credited to Purchaser.

NOTICES. By acceptance hereof, Seller warrants that he has no notice of violations relating to the property, from City, County or State agencies.

DEFAULT. In the event that Purchaser fails to pay the balance of the purchase price, or to complete the purchase as herein provided, Seller may, subject to any rights of the Agent herein, retain all amounts paid hereunder as damages for the breach of this agreement by Purchaser; provided, however, that Seller may take such action as he deems appropriate to collect such additional damages as may have been actually sustained, and that Purchaser shall have the right to take such action as he deems appropriate to recover such portion of the amounts paid hereunder as may be allowed by law. In the event that Purchaser shall so default, Purchaser agrees to pay to the brokers entitled thereto such commissions as would be payable by Seller in the absence of such default. Purchaser's obligation to said brokers shall be in addition to any rights which said brokers may have against Seller in the event of default. In the event legal action is instituted by any party to this agreement to enforce the terms of this agreement, or arising out of the execution of this agreement or the sale, the prevailing party shall be entitled to receive from the other party a reasonable attorney's fee to be determined by the court in which such action is brought.

PROVISIONS ON THE REVERSE SIDE. The provisions printed on the reverse side hereof which are checked below are included in this agreement.

- | | | |
|---|---|---|
| 1. <input checked="" type="checkbox"/> INCOME AND EXPENSE STATEMENT | 3. <input checked="" type="checkbox"/> CHANGES DURING TRANSACTION | 5. <input checked="" type="checkbox"/> OPERATING PERMIT |
| 2. <input checked="" type="checkbox"/> EXISTING LEASES | 4. <input type="checkbox"/> PERSONAL PROPERTY IN FURNISHED INCOME UNITS | 6. <input type="checkbox"/> PERMIT OF OCCUPANCY |

EXPIRATION. This offer shall expire unless a copy hereof with Seller's written acceptance is delivered to Purchaser or his Agent within 1 days from date TIME, time is of the essence in this agreement

The undersigned Purchaser hereby acknowledges receipt of a copy hereof and acknowledges further that he has not received or relied upon any statements or representations by the undersigned Agent, which are not herein expressed, including any statements or representations regarding the effect of this transaction upon Purchaser's tax liability.

By Watson & Watson Enterprises, Inc. Agent DATED July 20, 1988 TIME _____
By [Signature] Purchaser
Manager's Initials [Signature] Purchaser

ACCEPTANCE

The undersigned Seller accepts the foregoing offer and agrees to sell the herein described property for the price and on the terms and conditions herein specified

COMMISSION. Seller hereby agrees to pay to Watson & Watson Ent. 37/Financial Services the Agent in this transaction. 6 % of the sale price for services rendered and in the event Seller and Purchaser fail to complete the sale as herein provided, the Agent shall be entitled to receive one half of the deposit required by the within agreement, but not more than the commission earned. In the event legal action is instituted to collect this commission or any portion thereof, Seller agrees to pay the Agent such additional sum as the court may judge reasonable for attorney's fees. This agreement shall not limit the right of Agent provided for in any listing or other agreement which may be in effect between Seller and Agent except that the amount of the commission shall be as specified herein

The undersigned Seller hereby acknowledges receipt of a copy hereof. DATED July 22, 1988 TIME _____

Seller [Signature] Seller
WATSON & WATSON ENTERPRISES, INC. 3450 LAKESHORE AVENUE (415) 893-5577 Lila Lent
Branch Address Phone Agent

Corporate Headquarters
3450 Lakeshore Avenue
Oakland, CA 94610
(415) 893-5577



San Francisco Regional Office
155 Montgomery Street
Suite 504
San Francisco, CA 94104
(415) 434-4422

A Full Service Real Estate Corporation
Serving California Since 1889
(Frank C. Watson 1884-1944)

REPLY TO _____

**NOTICE TO OWNERS, BUYERS AND TENANTS REGARDING
HAZARDOUS WASTES OR SUBSTANCES AND UNDERGROUND
STORAGE TANKS**

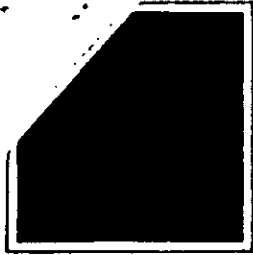
Comprehensive federal and state laws and regulations have been enacted in the last few years in an effort to develop controls over the use, storage, handling, clean-up, removal and disposal of hazardous wastes or substances. Some of these laws and regulations, such as, for example, the so-called "Superfund Act," provide for broad liability schemes wherein an owner, tenant or other user of the property may be liable for clean-up costs and damages regardless of fault. Other laws and regulations set standards for the handling of asbestos or establish requirements for the use, modification, abandonment, or closing of underground storage tanks.

It is not practical or possible to list all such laws and regulations in this Notice. Therefore, owners, buyers and tenants are urged to consult legal counsel to determine their respective rights and liabilities with respect to issues described in this Notice as well as all other aspects of the proposed transaction. If hazardous wastes or substances have been, or are going to be used, stored, handled or disposed of on the property, or if the property has or may have underground storage tanks, it is essential that legal and technical advice be obtained to determine, among other things, what permits and approvals have been or may be required, if any, the estimated costs and expenses associated with the use, storage, handling, clean-up, removal or disposal of the hazardous wastes or substances and what contractual provisions and protections are necessary or desirable. It may also be important to obtain expert assistance for site investigations and building inspections. The past uses of the property may provide valuable information as to the likelihood of hazardous wastes or substances, or underground storage tanks being on the property.

Although Watson & Watson Enterprise will disclose any knowledge it actually possesses with respect to the existence of hazardous wastes or substances, or underground storage tanks on the property, Watson & Watson Enterprise has not made investigations or obtained reports regarding the subject matter of this Notice, except as may be described in a separate written document signed by Watson & Watson Enterprise. Watson & Watson Enterprise makes no representations regarding the existence or nonexistence of hazardous wastes or substances, or underground storage tanks on the property. You should contact a professional, such as a civil engineer, geologist, industrial hygienist or other persons with experience in these matters to advise you concerning the property.

The term "hazardous wastes or substances" is used in this Notice in its very broadest sense and includes, but is not limited to, petroleum base products, paints and solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonium compounds, asbestos, PCBs and other chemical products. Hazardous wastes or substances and underground storage tanks may be present on all types of real property. This Notice is therefore meant to apply to any transaction involving any type of real property, whether improved or unimproved.

Acknowledgement of receipt of copy this 14 day of July, 1980.



Financial Real Estate

August 28, 1988

George Gradin

ADDENDUM TO PURCHASE AGREEMENT & DEPOSIT

RECEIPT DATED JULY 22, 1988

RE: Lee's Arco
2951 High Street, Oakland, California

SELLERS: Clifford Lee & Diana Lee

BUYER: Mohammad Mashhoon and assigns

Sellers hereby state that they are unaware of any violations by any Governmental agencies affecting the subject property. Seller is only aware of deferred maintenance.

Purchasers have conducted an in depth inspection of the underground gasoline storage tanks and related components through a sophisticated agency of Buyers choice and are aware of any defects to said system as indicated in said report dated 8/2/88. Buyer has removed all contingencies affecting the purchase of the subject property

Pursuant to the Purchase Agreement & Deposit Receipt dated July 22, 1988, the close of escrow shall take place on September 20, 1988. The Purchasers are urged to and hereby authorized to inspect the subject property personally and/or through their Agents at their convenience and sole expense. Buyers shall give Seller notice of any in depth inspection dates so as to not affect the normal operation of the daily business procedure.

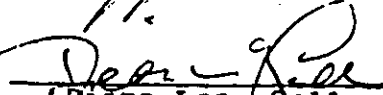
Buyer and Sellers are aware that the property is being sold in it's present condition and hereby waives any right to claim reimbursement for any latent defects, if any.




Clifford Lee, Seller



Mohammad Mashhoon, Buyer



Diana Lee, Seller



Assign

DATE: _____

DATE: _____

Oakland Office
762 Rand Avenue
Oakland, California 94610
(415) 836-1166

Main Office
3579 Mt. Diablo Boulevard
Lafayette, California 94549
(415) 283-0990

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JOHN G. WARNER
Attorney at Law
21 Tamal Vista Blvd.
Suite 196
Corte Madera, CA 94925
(415) 924-2640

Attorney for Plaintiff
Zima Center, Inc.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

ZIMA CENTER, INC.,)	Case No. 92-1708 SBA
)	
Plaintiffs,)	PLAINTIFFS' RESPONSE
)	TO DEFENDANT ATLANTIC
)	RICHFIELD'S FIRST SET OF
vs.)	<u>INTERROGATORIES</u>
)	
ATLANTIC RICHFIELD COMPANY,)	
a Corporation; HABER OIL)	
COMPANY, a Corporation; and)	
CLIFFORD LEE, an individual,)	
)	
Defendants.)	

PROPOUNDING PARTY: DEFENDANT ATLANTIC RICHFIELD COMPANY
("ARCO")

RESPONDING PARTY: PLAINTIFF, ZIMA CENTER, INC. ("ZIMA")

SET NO: ONE

ZIMA hereby responds to ARCO as follows:

INTERROGATORY NO. 1:

Identify any and all products, other than gasoline,
delivered by ARCO to 2951 High Street.

*Kerosene, grease and gear oil
& solvent.*

1 RESPONSE TO NO. 1:

2 To the best of our knowledge, gasoline and crankcase oil
3 were the only products delivered by ARCO.

4 INTERROGATORY NO. 2:

5 Does Zima contend that ARCO negligently delivered petroleum
6 products to the 2951 High Street site prior to 1982?

7 RESPONSE TO NO. 2:

8 Yes.

9 INTERROGATORY NO. 3:

10 State all facts supporting Zima's contention in Paragraph 1
11 of its First Amended Complaint that "At the time Zima purchased
12 (the 2951 High Street site) from Lee, the soil of the property
13 was contaminated with petroleum hazardous waste products."

14 RESPONSE TO NO. 3:

15 The only facts presently known to Zima are those stated in
16 the United Soil Engineering Report dated April 12, 1990,

17 INTERROGATORY NO. 4:

*Mr. Lee's statement re
spillages by ARCO's drivers*

18 State all facts supporting Zima's contention in Paragraph 8
19 of its First Amended Complaint that ARCO was negligent in its
20 delivery of products to the 2951 High Street site.

21 RESPONSE TO NO. 4:

22 On various occasions over a period of several years ARCO
23 tank drivers spilled gasoline when they were filling Zima's
24 tanks, which was absorbed by the soil surrounding Zima's tanks.

25 INTERROGATORY NO. 5:

26 Specify by date and time those occasions on which ARCO
27 spilled petroleum products on the ground at the 2951 High Street
28 site.

1 RESPONSE TO NO. 5:

2 Zima is unable to provide specific times and dates.
3
4

5 INTERROGATORY NO.6:

6 State all facts supporting Zima's contention in paragraph 21
7 of its First Amended Complaint that Zima has been deprived of
8 the use of the 2951 High Street.
9

10 RESPONSE TO NO. 6:

11 To date, Zima has not been deprived of the use of its
12 station on High Street, but Zima anticipates that its station
13 will be shut down by governmental authorities at sometime in the
14 future due to soil contamination caused by ARCO. + water contamination.
15

16 INTERROGATORY NO. 7:

17 Specify by date and time those occasions on which defendant
18 Haber Oil Company spilled petroleum products on the ground at
19 the 2951 High Street site.
20

21 RESPONSE TO NO. 7:

22 Zima is unable to provide specific times and dates.
23

24 INTERROGATORY NO. 8:

25 Specify the amounts incurred by Zima in addressing the
26 alleged contamination at the 2951 High Street site.
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28 RESPONSE TO NO. 8:

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\$3,500.00 (owed to United Soil Engineering)

*in escrow failed to sell to Tann, broker withheld
Money to Zima
Tann hired
Brewster \$9,000 withheld*

INTERROGATORY NO. 9:

Does Zima contend that the price it paid for the 2951 High Street site was based on the assumption that the property was uncontaminated?

RESPONSE TO NO. 9:

Yes.

INTERROGATORY NO. 10:

When did Zima first discover the contamination it alleges is present on the 2951 High Street site?

RESPONSE TO NO. 10:

When received the United Soil Engineering report dated April 12, 1990.

*At the time of Tann estimated to purchase.
Bank didn't do it; another report.*

JOHN G. WARNER
Attorney for Plaintiff

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VERIFICATION

I, MOHAMMED MASHHOON, declare the following:

I have read the foregoing PLAINTIFFS' RESPONSE TO DEFENDANT ATLANTIC RICHFIELD'S FIRST SET OF INTERROGATORIES and know the contents thereof. To the best of my knowledge the statements made therein are true of my own information and belief.

I declare under the penalty of perjury that the foregoing is true and correct.

Executed on this ____ day of December, 1992 at Oakland, California.

MOHAMMED MASHOON
For Zima Center, Inc.

Verification

DEFENDANT'S
EXHIBIT (3)
Mashhorn
12-10-92

1 JEFFREY M. HAMERLING
ERIC L. LAURENCE
2 STEINHART & FALCONER
3 333 Market Street, 32nd Floor
San Francisco, California 94105

4 Telephone: (415) 777-3999
5 Facsimile: (415) 442-0856

6 ROBERTA E. KASS, ESQ.
ATLANTIC RICHFIELD COMPANY
7 515 S. Flower Street, 46th Floor
Los Angeles, California 90071

8 Telephone: (213) 486-0703
9 Facsimile: (213) 486-2501

10 Attorneys for Defendant,
ATLANTIC RICHFIELD COMPANY

11 UNITED STATES DISTRICT COURT
12 NORTHERN DISTRICT OF CALIFORNIA

13
14 ZIMA CENTER, INC.,)
15 Plaintiff,)
16 v.)
17 ATLANTIC RICHFIELD COMPANY, a)
18 corporation, HABER OIL COMPANY, a)
19 corporation, and Clifford Lee, an individual,)
20 Defendants.)

CASE NO. 92-1708 SBA
INTERROGATORIES
SET NO. 1
(Nos. 1 to 10)

21 PROPOUNDING PARTY: DEFENDANT ATLANTIC RICHFIELD COMPANY ("ARCO")
22 SET NO.: ONE
23 RESPONDING PARTY: PLAINTIFF, ZIMA CENTER, INC. ("ZIMA")
24

25 Pursuant to Rule 33 of the Federal Rules of Civil Procedure, defendant
26 ARCO requests that Plaintiff Zima answer the following interrogatories, Set No. 1,
27 under oath within 30 days from the date of service:

28 DEFENDANT ATLANTIC RICHFIELD COMPANY'S FIRST SET OF INTERROGATORIES
TO PLAINTIFF ZIMA CENTER, INC..

1 INTERROGATORY NO. 1:

2 Identify any and all products, other than gasoline, delivered by ARCO to
3 2951 High Street.

4 INTERROGATORY NO. 2:

GASOLINE & Oil

5 Does Zima contend that ARCO negligently delivered petroleum products
6 to the 2951 High Street site prior to 1982?

7 INTERROGATORY NO. 3:

*NO found Gasolin all over place
BUT MR. LEE Recall several occasion he next day*

8 State all facts supporting Zima's contention in Paragraph 1 of its First
9 Amended Complaint that "At the time Zima purchased [the 2951 High Street site]
10 from Lee, the soil of the property was contaminated with petroleum hazardous waste
11 products." *"Lee" just check the tanks & laws didn't require to*

12 INTERROGATORY NO. 4:

Sub report after drilling they have a soil test

13 State all facts supporting Zima's contention in Paragraph 8 of its First
14 Amended Complaint that ARCO was negligent in its delivery of products to the 2951
15 High Street site.

16 INTERROGATORY NO. 5:

17 Specify by date and time those occasions on which ARCO spilled
18 petroleum products on the ground at the 2951 High Street site.

19 INTERROGATORY NO. 6:

20 State all facts supporting Zima's contention in paragraph 21 of its First
21 Amended Complaint that Zima has been deprived of the use of the 2951 High Street
22 site.

23 INTERROGATORY NO. 7:

24 Specify by date and time those occasions on which defendant Haber Oil
25 Company spilled petroleum products on the ground at the 2951 High Street site.
26
27
28

1 INTERROGATORY NO. 8:

2 Specify the amounts incurred by Zima in addressing the alleged
3 contamination at the 2951 High Street site.

4 INTERROGATORY NO. 9:

5 Does Zima contend that the price it paid for the 2951 High Street site
6 was based on the assumption that the property was uncontaminated?

7 INTERROGATORY NO. 10:

8 When did Zima first discover the contamination it alleges is present on
9 the 2951 High Street site?

10 Dated: November 4, 1992

ROBERTA E. KASS, ESQ.
ATLANTIC RICHFIELD COMPANY

STEINHART & FALCONER
JEFFREY M. HAMERLING
ERIC L. LAURENCE

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15 By: 
Eric L. Laurence
Attorneys for Defendant,
ATLANTIC RICHFIELD COMPANY
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1 JEFFREY M. HAMERLING
ERIC L. LAURENCE
2 STEINHART & FALCONER
333 Market Street, 32nd Floor
3 San Francisco, California 94105

4 Telephone: (415) 777-3999
Facsimile: (415) 442-0856

5 ROBERTA E. KASS, ESQ.
6 ATLANTIC RICHFIELD COMPANY
515 S. Flower Street, 46th Floor
7 Los Angeles, California 90071

8 Telephone: (213) 486-0703
Facsimile: (213) 486-2501

9 Attorneys for Defendant,
10 ATLANTIC RICHFIELD COMPANY

11 UNITED STATES DISTRICT COURT
12 NORTHERN DISTRICT OF CALIFORNIA
13

14 ZIMA CENTER, INC.,)

15 Plaintiff,)

16 v.)

17 ATLANTIC RICHFIELD COMPANY, a)
18 corporation, HABER OIL COMPANY, a)
19 corporation, and Clifford Lee, an individual,)

20 Defendants.)
21
22

CASE NO. 92-1708 SBA

NOTICE OF TAKING
DEPOSITION

23 TO PLAINTIFF AND ITS ATTORNEY OF RECORD:

24 PLEASE TAKE NOTICE that pursuant to Rule 30 of the Federal Rules of
25 Civil Procedure, defendant ATLANTIC RICHFIELD COMPANY will take the deposition
26 of MOHAMMAD ALI MASHOON at the offices of Steinhart & Falconer, 333 Market
27 Street, 32nd Floor, San Francisco, California, 94105, on Thursday, December 10,
28

NOTICE OF TAKING DEPOSITION

1 1991, commencing at 9:00 a.m. The deposition will be taken before a duly qualified
2 deposition officer, and shall continue from day to day until completed.

3 DATED: November 4, 1992

4 STEINHART & FALCONER
5 JEFFREY M. HAMERLING
6 ERIC L. LAURENCE

7 By: 
8 Eric L. Laurence
9 Attorneys for Atlantic Richfield Company
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PROOF OF SERVICE BY MAIL

I am over the age of 18 and not a party to the within action. My business address is 333 Market Street, 32nd Floor, San Francisco, California 94105. I am readily familiar with the practice of this firm for collection and processing of correspondence prepared for mailing with the United States Postal Service and correspondence placed in the outgoing mail tray in my office for collection would be deposited in the United States Mail that same day in the ordinary course of business.

On the date stated below, I served on the parties the following document(s) described as

DEFENDANT ATLANTIC RICHFIELD COMPANY'S FIRST SET OF INTERROGATORIES TO PLAINTIFF ZIMA CENTER, INC.; and
NOTICE OF DEPOSITION OF MOHAMMAD ALI MASHOON

by placing a true copy thereof in a sealed envelope in the outgoing mail tray located in my office for deposit in the United States mail at San Francisco, California with first-class postage fully prepaid, addressed as follows:

Mark L. Pope, Esq.
Office of the United States Trustee
1401 Lakeside Drive, Suite 1260
Oakland, California 94612

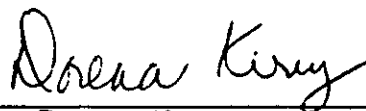
Gerard Lam
Attorney at Law
1407 Webster Street, Suite 216
Oakland, California 94612

Duane R. Kelton
Nageley & Meredith
8001 Folsom Boulevard, Suite 200
P.O. Box 276270
Sacramento, California 95827

John G. Warner
Attorney at Law
21 Tamal Vista Boulevard
Suite 196
Corte Madera, California 94925

Executed on November 4, 1992 at San Francisco, California.

I declare under penalty of perjury that the foregoing is true and correct.



Dorena Kerry

DEFENDANT'S
EXHIBIT (4)
Mashhoon
12-10-92

REPORT

to

MR. MOHAMMAD MASHHOON

OAKLAND, CALIFORNIA

on

CONTAMINATION INVESTIGATION

for

2951 HIGH STREET, ARCO STATION

OAKLAND, CALIFORNIA

by

UNITED SOIL ENGINEERING, INC.

3476 EDWARD AVENUE

SANTA CLARA, CALIFORNIA

APRIL 12, 1990



UNITED SOIL ENGINEERING, INC.

Soil, Foundation and Geological Engineers

3476 EDWARD AVENUE, SANTA CLARA, CALIFORNIA 95054 (408) 988-2990

File No. 00-3842-SE

April 12, 1990

Mr. Mohammad A. Mashhoon
5 Admiral Drive, #301
Emeryville, CA 94608

Attention: Mr. Mohammad Mashhoon
Arco Gas Station
2951 High Street
Oakland, CA
CONTAMINATION INVESTIGATION

Dear Mr. Mashhoon

Pursuant to your authorization, we are pleased to present herewith our site assessment report for the above subject property. The report will detail our investigation, for the existing Arco Gas Station located at 2951 High Street in Oakland, California.

The report presents a description of work performed by us. The results of the laboratory analysis of soil samples for the subject property, and our conclusions.

The results of our studies and the laboratory tests show the existence of organic compounds in the soil samples, in quantities that exceed Department of Health Services Adopted Applied Action Levels (AALS).

If you have any questions or require additional information, please feel free to contact our office at your convenience.

Very truly yours,

UNITED SOIL ENGINEERING, INC.

Jolanta Uchman
Project Geologist

Ahmad Badie, Ph.D., P.E.

use-1902/Copies: 3 to Mr. Mohammad Mashhoon

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INTRODUCTION

At the request of Mr. Mohammad Mashhoon, United Soil Engineering, Inc., was given permission to perform a contamination investigation study of the soil at the site located at 2951 High Street in Oakland, California. This study also involved the review of available public and private information to determine whether other known toxic leak sites exist within a one-mile radius of the subject site that may impact the ground water quality. United Soil Engineering performed the contamination investigation including identification of contaminants in the subsurface soil.

SCOPE OF WORK

The contamination investigation was accomplished by performing the following tasks. Further discussion concerning the procedures which followed will be detailed in the following sections.

Review of private files for chemical usage background and interviews with employees and owner. —

Inspection of the project site for possible visible evidence of any spillage. —

The drilling of two test borings at the subject property. —

Soil sampling for Volatile Organics and analysis by a state-certified analytical laboratory. —

Preparation of a report summarizing the laboratory results and findings, including conclusions. —

LIMITATIONS OF STUDY

This contamination investigation is a limited service and the range of services is limited to pre-arranged budgets and time restraints under the agreement with Mr. Mohammad Mashhoon. All reasonable care and scrutiny may still fail to identify hazardous substances introduced into the soils and ground water under the subject property. This also includes the incorrect determination of concentrations of hazardous substances which may be present.

United Soil Engineering, Inc. cannot assume responsibility for conditions which were not brought forth to our attention or for conditions that are found to be environmentally hazardous after the date in which this report was prepared.

This was a limited investigation, by virtue of only two borings. The results are quantitative and only generalized assumptions which can be made based on the limited information.

The information included herein, was prepared solely for the use of the owner of the property. We highly recommend that the owner report the results of this study to the concerned regulatory agencies, local or state.

SITE DESCRIPTION

The project site is situated on the northwest corner of the High Street and Penniman Avenue in Oakland, California. The parcel borders residential buildings to the north and west and faces High Street to the south.

Presently, there is an existing Arco Gas Station with one-story building. In front of the building along the High Street there is a gas line. A parking lot is situated west of the building and a fenced storage area in the back.

The whole parking area was paved. During our inspection, signs of oil spillage on the part of the property facing Penniman Avenue was visible. Figure 1 is the vicinity map and Figure 2 shows the location of the property (see Appendix "A").

FIELD INVESTIGATION

After reviewing the available data on the area and discussion with the client's representative, a field investigation was conducted at the project site. It included a surface site reconnaissance to detect any unusual surface features and the drilling of two exploratory borings on March 23, 1990. The drilling included the near-surface sampling of the soils at an approximated depths of 12 to 14 feet. The approximate boring locations are shown in Figure 2. The ground water was not encountered.

The soil samples were taken by a 2.5-inch split-tube sampler with modified California brass liner tubes. Upon recovery of the samples, each sample was inspected, logged, sealed with an end caps and plastic teflon tape and placed in a cooler with ice. Soil samples were obtained following standard sampling and equipment decontamination procedures. All equipment which may come in contact with the native soils or ground water was thoroughly cleaned by high pressure steam cleaners and/or washed with tri-sodium phosphate detergent to insure accurate results.

All soil samples retained for analytical analysis, were properly labeled and stored in a cooler while at the project site. At the completion of the project, the samples were delivered to a state-certified analytical laboratory. Chain-of-Custody records were kept to document the handling and transfers of the samples to the analytical laboratory, see Appendix "C".

SITE VICINITY ENVIRONMENTAL CASES

Local and state regulatory agencies were consulted pertaining to known fuel and toxic waste sites in close proximity to the project site.

South Bay Toxic cases list, providing revised fuel leak data for the cases reported as of May 1, 1989 prepared by Regional

Water Quality Control Board, identified the following active solvent cases, near the project site. The following sites were investigated within 1-mile radius of the project site.

Reported Solvent Releases (RQWCB)

Facilities Relative to the Project Site

<u>Facility Name</u>	<u>Address</u>	<u>Approx. Distance</u>
Chevron	4300 MacArthur Blvd.	0.4 NE —
Mobil	3315 High Street	0.9 NE —

SOIL CONDITIONS

In the borings B-1 and B-2 the initial 10 inches of asphalt and baserock were underlain by a fill material to the approximate depth of 6 feet.

The encountered soil, to a depth of approximately 3 feet in the borings B-1 and B-2, was found to be greenish-brown silty, sandy, avelly clay with gasoline odor. Below this material, a brown gray silty, very gravelly moist clay was found. This horizon extended approximately to the depth of 9 feet below the existing ground surface. At this depth, a light brown silty, sandy, plastic, moist clay with gravel was encountered and continued to the bottom of the borings. A detailed description of the soil encountered can be found in Appendix "B", Figures 3 through 5.

ANALYTICAL TESTING

Two soil samples from the boring B-1 and two soil samples from boring B-2 were taken for analytical testing. The samples were delivered to Sequoia Laboratory, located in Redwood City on March 23, 1990. The following is a list of analytical tests performed on four selected soil samples to indicate the possible presence of contaminants. ||

Chemical AnalysisSoils

Total Petroleum Fuel Hydrocarbons
with BTEX Distinction
(Low Boiling Point)

EPA 5030/8015/8020

Total Petroleum Fuel Hydrocarbons
(High Boiling Point)

EPA 3550/8015

Total Recoverable Petroleum Oil

SM 503 D&E (Gravimetric)

ANALYSIS OF SAMPLES

The laboratory testing results are shown in Appendix "C". The results of the analytical tests of soil samples taken from the borings B-1 and B-2 are detailed as follows. The soil samples taken from the borings show elevated levels of hydrocarbons. The detected chemicals in the soil samples are:

Soil Sample	Low/Med.	High	Benzene	Toluene	Ethyl	
	Hydro- carbons ppm	Hydro- carbons ppm			Benzene ppm	Xylene ppm
1-1	620	120	1.9	13	10	66
1-2	N.D.	N.D.	N.D.	0.0058	0.01	0.28
2-1	59	19	59	0.12	0.91	4.8
2-2	N.D.	N.D.	N.D.	0.005	N.D.	N.D.

No detection of oil and grease was found in the soil samples.

CONCLUSION

The analysis of the soil samples did identify the existence of organic compounds in quantities that exceed Department of Health Services Adopted Applied Action Levels (AALS). Two borings with four soil samples were tested. Research of documented toxic release sites on file at the California Regional Water Quality Control Board, has brought forth that a minimum of two solvent releases have occurred in this area, both with contamination, and within a one mile radius. | N.I

The source of contamination in the above area is unknown to us; therefore, we highly recommend that an additional investigation be performed for the entire site.

The choice of analytical testing was solely based on information submitted to our office by the client and study of the vicinity.

We suggest that the owner of the property send a copy of this report to the local or state regulatory agency for their review.

File No. 90-3842-SE

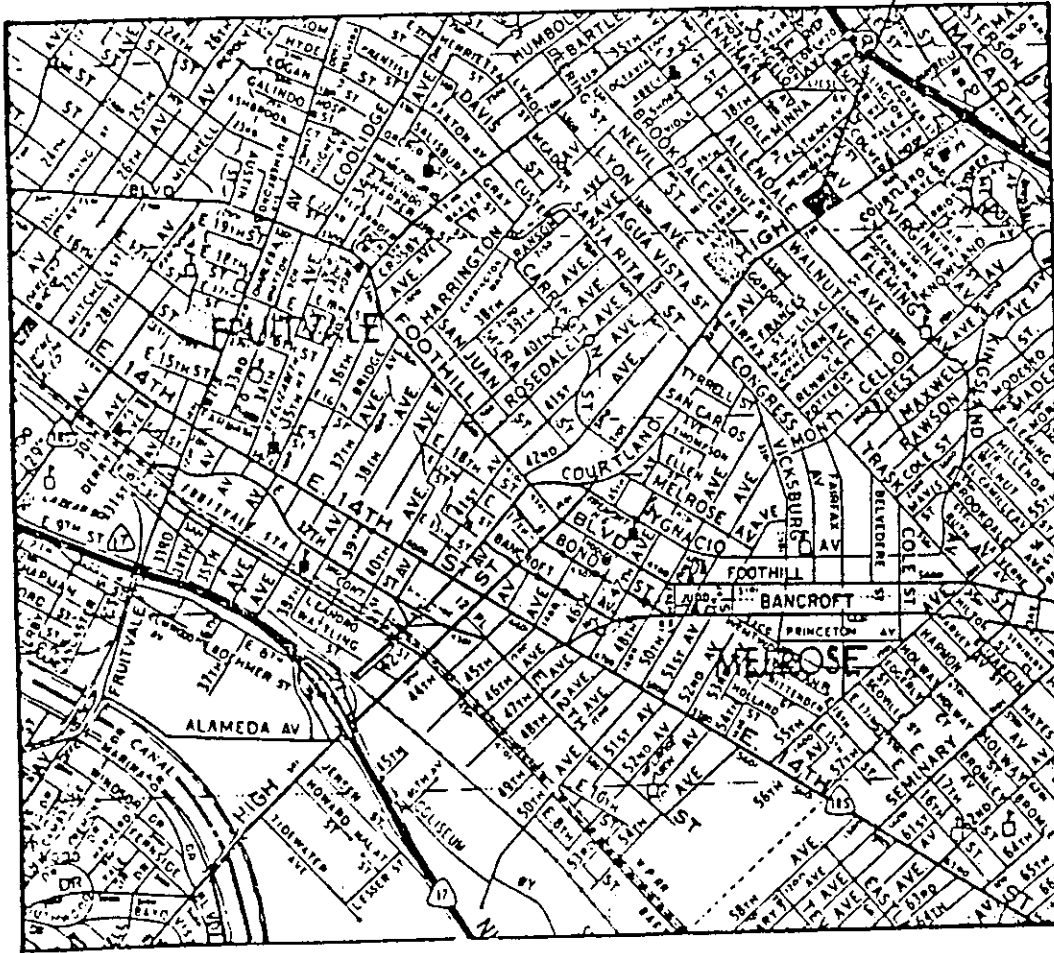
APPENDIX "A"

PHYSIOGRAPHY

FIGURE 1 - VICINITY MAP

FIGURE 2 - APPROXIMATE LOCATION OF BOREHOLES

SITE



THOMAS BROTHERS MAP
 ALAMEDA COUNTY
 PAGE 12, SQUARES C,D - 10

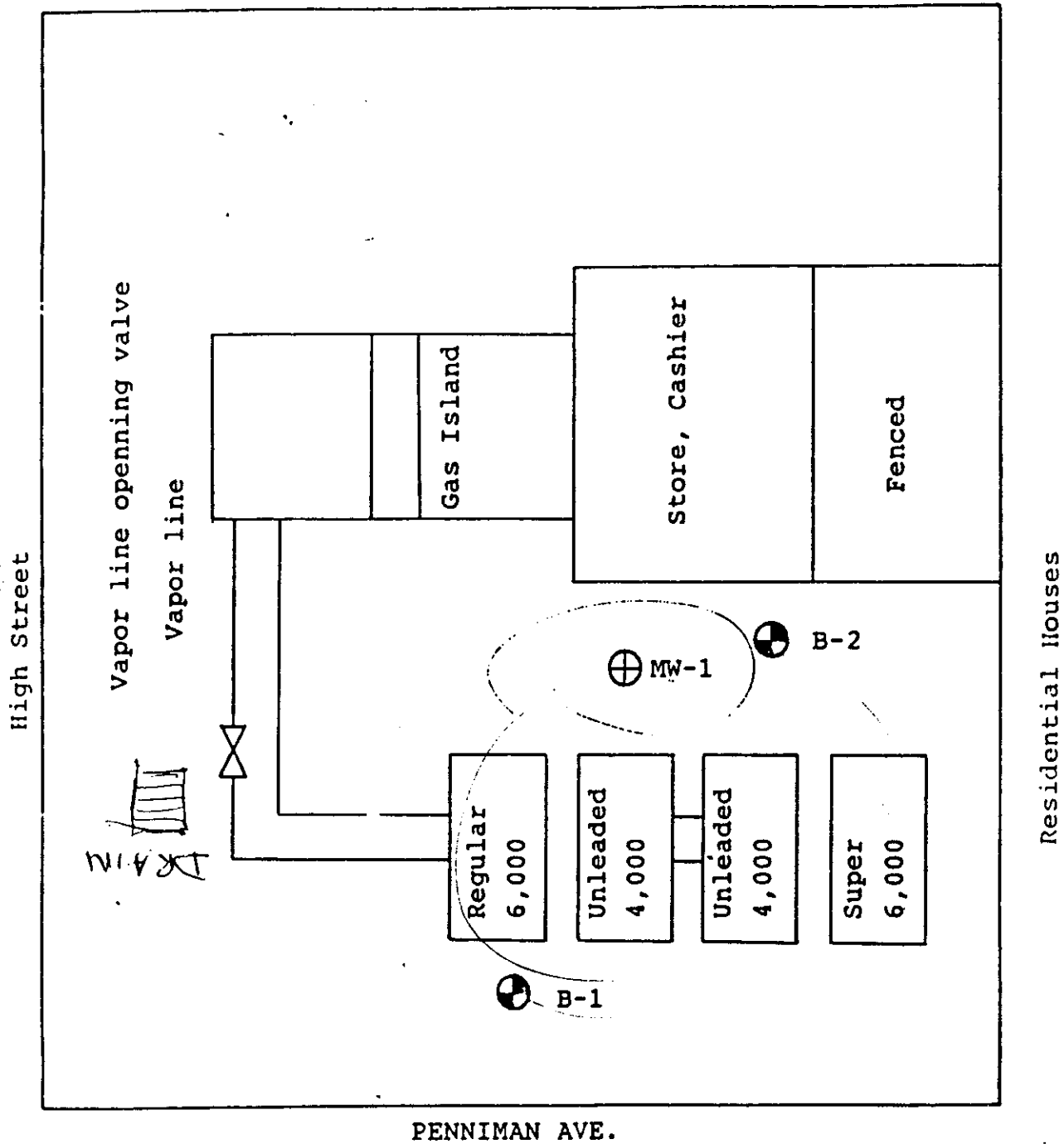
Vicinity Map
 ARCO Service Station



UNITED SOIL ENGINEERING, INC.
 Soil, Foundation and Geological Engineers
 3476 EDWARD AVE., SANTA CLARA, CA 95050
 (408) 988-2990

Date:	3-16-90
Drawn by:	C. A.
Scale:	NONE
Job No.:	90-3842-SE

RESIDENTIAL HOUSES



Approximate Location of Borehole



Approximate Location of Monitoring Well

File No. 90-3842-SE

APPENDIX "B"

EXPLANATION OF BORING LOG SYMBOLS

FIGURES 3 THROUGH 4 - LOGS OF TEST BORINGS

Logged By:


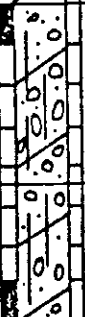
EXPLORATORY BORING LOG

Hole No.

Date Drilled:

Dry Density p.c.f.	Moisture Content %	Penet. Resist. Blows/Ft.	Unconf. Comp. Strength, k.s.f.	Direct Shear Test		Sample Number	Depth in Feet	Boring Log	Job No.
				"C" k.s.f.	"g" Degree				Ground Water First Noted
									Static Ground Water
									DESCRIPTION
									CLAY
									SILT
									SAND
									GRAVEL
									clayey
									silty
									sandy
									gravelly
						1-1			Sample Taken with sample number and lab results given
		**							Sample Attempt-Unsuccessful no sample number No Recovery-blow counts Refusal-noted in remarks

Remarks:

Logged By: J.U.		EXPLORATORY BORING LOG					Hole No.		
Date Drilled: 3-23-90		Job No. 90-3842-SE							
Dry Density p.c.f.	Moisture Content %	Penet. Resist. Blows/ft.	Unconf. Comp. Strength, k.s.f.	Direct Shear Test		Sample Number	Depth in Feet	Boring Log	DESCRIPTION
				"c" k.s.f.	"g" Degree				
		52				1-1	5		Asphalt 4", baserock 6" Greenish silty sandy CLAY plastic, medium stiff, * Brown greenish silty CLAY plastic, medium stiff, *
		50				1-2	10		Greenish gray silty sandy gravelly CLAY, stiff, gasoline odor Increase in gravel Light brown, silty sandy gravelly CLAY, stiff and moist, gasoline odor
TERMINATED AT 12'									

Remarks: * slightly moist, fill material
 ** slightly moist, fill material

Logged By: J.U.		EXPLORATORY BORING LOG					Hole No.		
Date Drilled: 3-23-90							B-2		
Dry Density p.c.f.	Moisture Content %	Penet. Resist. Blows/ft.	Unconf. Comp. Strength, k.s.f.	Direct Shear Test		Sample Number	Depth in Feet	Boring Log	Job No. 90-3842-SE
				"C" k.s.f.	"D" Degree				DESCRIPTION
									Asphalt 4", Baserock 6"
									Greenish sandy silty CLAY plastic, slightly moist, gasoline odor
		49				2-1	5		Greenish gray, very gravelly sandy, silty CLAY, slightly moist, medium stiff, pieces of rocks, bricks, gasoline odor
							10		Light brown sandy silty gravelly CLAY, moist, stiff gasoline odor
		68				2-2			Increase in sand and silt material gasoline odor
									TERMINATED AT 14'
Remarks:									

Figure 4 - Log of Test Boring 12

CHAIN OF CUSTODY RECORD

UNITED SOIL ENGINEERING, INC.
 3476 Edwards Avenue
 Santa Clara, CA 95050
 (408)-988-2990

ATTN: J. UCHMAN

Project #	Project Name: 90-3842-SE CONTAMINATION STUDY		Number of Samples	8015 / 8020 8015 503 DE										Re	
Well or Boring #	Date	Location													
3842	ARCO GAS STATION OAKLAND														
B-1	3-23-80	2971 HIGH STREET OAKLAND	1-1 SOIL	x	x	x									
B-1	3-23	— " —	1-2 SOIL	x	x	x									
B-2	3-23	— " —	2-1 SOIL	x	x	x									
B-2	3-23	— " —	2-2 SOIL	x	x	x									

Relinquished by: (Signature) <i>Uchman</i>	Date 3-23	Time 7:00pm	Received by: (Signature) <i>Paul Newson</i>	Date	Time	Remarks
Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time	Remarks



SEQUOIA ANALYTICAL

680 Chesapeake Drive • Redwood City, CA 94063
(415) 364-9600 • FAX (415) 364-9233

Soil Engineering, Inc. Edward Avenue Clara, CA 95050 Phone: J. Uchman	Client Project ID: #90-3842-SE, Contamination Study Matrix Descript: Soil Analysis Method: SM 503 D&E (Gravimetric) First Sample #: 003-3583	Sampled: Mar 23, 1990 Received: Mar 23, 1990 Extracted: Apr 6, 1990 Analyzed: Apr 10, 1990 Reported: Apr 11, 1990
--	---	---

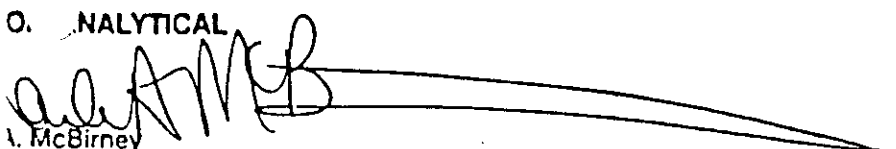
TOTAL RECOVERABLE PETROLEUM OIL

Sample Number	Sample Description	Oil & Grease mg/kg (ppm)
03-3583	B-1, 1-1	N.D.
03-3584	B-1, 1-2	N.D.
03-3585	B-2, 2-1	1,100
03-3586	B-2, 2-2	N.D.

Detection Limits: 30

Values reported as N.D. were not present above the stated limit of detection.

Sequoia Analytical


J. McBirney
Manager



SEQUOIA ANALYTICAL

680 Chesapeake Drive • Redwood City, CA 94063
(415) 364-9600 • FAX (415) 364-9233

United Soil Engineering, Inc. 3476 Edward Avenue Santa Clara, CA 95050 Attention: J. Uchman	Client Project ID: #90-3842-SE, Contamination Study Matrix Descript: Soil Analysis Method: EPA 3550/8015 First Sample #: 003-3583	Sampled: Mar 23, 1990 Received: Mar 23, 1990 Extracted: Apr 4, 1990 Analyzed: Apr 10, 1990 Reported: Apr 11, 1990
--	--	---

TOTAL PETROLEUM FUEL HYDROCARBONS (EPA 8015)

Sample Number	Sample Description	High B.P. Hydrocarbons mg/kg (ppm)
003-3583	B-1, 1-1	120
003-3584	B-1, 1-2	N.D.
003-3585	B-2, 2-1	19
003-3586	B-2, 2-2	N.D.

Detection Limits: 1.0

High Boiling Point Hydrocarbons are quantitated against a diesel fuel standard.
Analytes reported as N.D. were not present above the stated limit of detection.

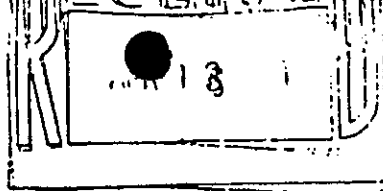
SEQUOIA ANALYTICAL


Maile A. McBlimey
Project Manager



SEQUOIA ANALYTICAL

680 Chesapeake Drive • Redwood City, CA 94063
(415) 364-9600 • FAX (415) 364-9233



Soil Engineering, Inc.
Edward Avenue
La Clara, CA 95050
Attention: J. Uchman

Client Project ID: #90-3842-SE, Contamination Study
Matrix Descript: Soil
Analysis Method: EPA 5030/8015/8020
First Sample #: 003-3583

Sampled: Mar 23, 1990
Received: Mar 23, 1990
Analyzed: Apr 6, 1990
Reported: Apr 11, 1990

TOTAL PETROLEUM FUEL HYDROCARBONS with BTEX DISTINCTION (EPA 8015/8020)

Sample Number	Sample Description	Low/Medium B.P. Hydrocarbons mg/kg (ppm)	Benzene mg/kg (ppm)	Toluene mg/kg (ppm)	Ethyl Benzene mg/kg (ppm)	Xylenes mg/kg (ppm)
003-3583	B-1, 1-1	620	1.9	13	10	66
003-3584	B-1, 1-2	N.D.	N.D.	0.0058	0.010	0.026
003-3585	B-2, 2-1	59	0.12	N.D.	0.91	4.8
003-3586	B-2, 2-2	N.D.	0.0050	N.D.	N.D.	N.D.

Detection Limits

Ion Limits:

?

1.0

0.0050

0.0050

0.0050

0.0050

Medium Boiling Point Hydrocarbons are quantitated against a gasoline standard. Those reported as N.D. were not present above the stated limit of detection.

DIA ANALYTICAL

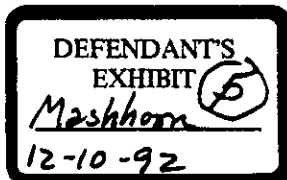
J. Uchman
Manager



Zima Center Corporation

3701 Cutting Blvd.
Richmond, CA 94804

(415) 234-3801



April 23, 1990

Haber Oil Products
220 Hook Ston Road
Pleasant Hill, Ca. 94523

Re: High Street Arco, Oakland

Dear Sirs,

We appreciate your efforts in cleaning up the surface contamination of the subject station a while ago, however as the result of a recent test made on location it is evident that the previous clean up has not removed the surface contamination completely.

Once again I like to express my appreciation for your cooperation in the past, and it will be appreciated if you may arrange for clean up of the contaminations due to spillage and overflow on the subject location.

Please call me at (415) 234-3801 to make the proper arrangement.

Very truly yours,

A handwritten signature in black ink, appearing to be 'M. Mashhoon', written over a horizontal line.

Mohammad A. Mashhoon
President

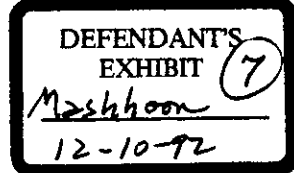
DEFENDANT'S EXHIBIT
 Mashhom
 12-10-92

UNDERGROUND STORAGE TANK UNAUTHORIZED RELEASE (LEAK) / CONTAMINATION SITE REPORT

EMERGENCY <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		HAS STATE OFFICE OF EMERGENCY SERVICES REPORT BEEN FILED? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		FOR LOCAL AGENCY USE ONLY 90 MAY 25 PM 2:47 I HEREBY CERTIFY THAT I AM A DESIGNATED GOVERNMENT EMPLOYEE AND THAT I HAVE REPORTED THIS INFORMATION TO LOCAL OFFICIALS PURSUANT TO SECTION 25180.7 OF THE HEALTH AND SAFETY CODE. SIGNED _____ DATE _____		
REPORT DATE 04/25/90		CASE #				
REPORTED BY	NAME OF INDIVIDUAL FILING REPORT MOHSEN AL-BARAZI		PHONE (415) 649-0241 (415) 234-3801	SIGNATURE Mohsen Al Barazi		
	REPRESENTING <input type="checkbox"/> LOCAL AGENCY <input checked="" type="checkbox"/> OWNER/OPERATOR <input type="checkbox"/> REGIONAL BOARD <input type="checkbox"/> OTHER		COMPANY OR AGENCY NAME JEDCO Consulting Engineers			
	ADDRESS 930 Dwight Way STREET CITY Berkeley STATE CA ZIP 94710					
RESPONSIBLE PARTY	NAME Haber Oil Products <input type="checkbox"/> UNKNOWN		CONTACT PERSON Richard Wilson	PHONE (415) 935-3806		
	ADDRESS 220 Hookston Road STREET CITY Pleasant Hill STATE Ca ZIP 94523					
SITE LOCATION	FACILITY NAME (IF APPLICABLE) ARCO		OPERATOR	PHONE (415) 261-1111		
	ADDRESS 2951 High STREET CITY Oakland COUNTY Alameda ZIP 94612 CROSS STREET Peniman St.					
IMPLEMENTING AGENCIES	LOCAL AGENCY Alameda County Health Care Services		AGENCY NAME Hazardous Material Program	CONTACT PERSON MR. Ariu Levi / MR. Larry Cito	PHONE (415) 271-4320	
	REGIONAL BOARD San Francisco Bay			MR. Richard Hiett	PHONE (415) 464-8359	
SUBSTANCES INVOLVED	(1) NAME Low/Medium Hydrocarbons		QUANTITY LOST (GALLONS) <input type="checkbox"/> UNKNOWN			
	(2) NAME oil and Grease		<input type="checkbox"/> UNKNOWN			
DISCOVERY/ABATEMENT	DATE DISCOVERED 04/10/90		HOW DISCOVERED <input type="checkbox"/> TANK TEST <input type="checkbox"/> INVENTORY CONTROL <input type="checkbox"/> SUBSURFACE MONITORING <input type="checkbox"/> NUISANCE CONDITIONS	<input type="checkbox"/> TANK REMOVAL <input checked="" type="checkbox"/> OTHER Soil samples for property transfer		
	DATE DISCHARGE BEGAN UNKNOWN		METHOD USED TO STOP DISCHARGE (CHECK ALL THAT APPLY) <input type="checkbox"/> REMOVE CONTENTS <input type="checkbox"/> REPLACE TANK <input type="checkbox"/> CLOSE TANK <input type="checkbox"/> REPAIR TANK <input type="checkbox"/> REPAIR PIPING <input type="checkbox"/> CHANGE PROCEDURE <input type="checkbox"/> OTHER			
	HAS DISCHARGE BEEN STOPPED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO IF YES, DATE					
SOURCE/CAUSE	SOURCE OF DISCHARGE <input type="checkbox"/> TANK LEAK <input type="checkbox"/> UNKNOWN <input checked="" type="checkbox"/> OTHER		CAUSE(S) <input checked="" type="checkbox"/> OVERFILL <input type="checkbox"/> RUPTURE/FAILURE <input checked="" type="checkbox"/> SPILL <input type="checkbox"/> CORROSION <input type="checkbox"/> UNKNOWN <input type="checkbox"/> OTHER			
	CASE TYPE <input type="checkbox"/> UNDETERMINED <input checked="" type="checkbox"/> SOIL ONLY <input type="checkbox"/> GROUNDWATER <input type="checkbox"/> DRINKING WATER - (CHECK ONLY IF WATER WELLS HAVE ACTUALLY BEEN AFFECTED)					
CURRENT STATUS	CHECK ONE ONLY <input type="checkbox"/> NO ACTION TAKEN <input type="checkbox"/> PRELIMINARY SITE ASSESSMENT WORKPLAN SUBMITTED <input type="checkbox"/> POLLUTION CHARACTERIZATION		<input type="checkbox"/> LEAK BEING CONFIRMED <input checked="" type="checkbox"/> PRELIMINARY SITE ASSESSMENT UNDERWAY <input type="checkbox"/> POST CLEANUP MONITORING IN PROGRESS			
	<input type="checkbox"/> REMEDIATION PLAN <input type="checkbox"/> CASE CLOSED (CLEANUP COMPLETED OR UNNECESSARY)		<input type="checkbox"/> CLEANUP UNDERWAY			
REMEDIAL ACTION	CHECK APPROPRIATE ACTION(S) (SEE BACK FOR DETAILS) <input type="checkbox"/> CAP SITE (CS) <input type="checkbox"/> CONTAINMENT BARRIER (CB) <input type="checkbox"/> VACUUM EXTRACT (VE)		<input type="checkbox"/> EXCAVATE & DISPOSE (ED) <input type="checkbox"/> REMOVE FREE PRODUCT (FP) <input type="checkbox"/> ENHANCED BIO DEGRADATION (IT) <input type="checkbox"/> EXCAVATE & TREAT (ET) <input type="checkbox"/> PUMP & TREAT GROUNDWATER (GT) <input type="checkbox"/> REPLACE SUPPLY (RS) <input type="checkbox"/> NO ACTION REQUIRED (NA) <input type="checkbox"/> TREATMENT AT HOOKUP (HU) <input type="checkbox"/> VENT SOIL (VS) <input type="checkbox"/> OTHER (OT)			
	COMMENTS See attached Report. was told by Mr. Levi to determine if ground water has been impacted, and to install wells to define gradient and extent of contamination. Also said that soil would require additional work when the tanks were removed.					

ALAMEDA COUNTY
HEALTH CARE SERVICES

AGENCY
DAVID J. KEARS, Agency Director



September 18, 1990

DEPARTMENT OF ENVIRONMENTAL HEALTH
Hazardous Materials Program
80 Swan Way, Rm. 200
Oakland, CA 94621
(415)

Mr. Mohammed Mashhoon
5 Admiral Drive #301
Emeryville, CA 94608

RE: 2951 High Street, Oakland

Dear Mr. Mashhoon:

This letter is in reference to our conversation of September 11, 1990, concerning the above address. You requested that we send a letter indicating that there wasn't a problem at this address. Based on our information, the site has been impacted by petroleum hydrocarbons. Until a site investigation has been performed, this office will not issue a sign-off letter.

A report titled, "Contamination Investigation for 2951 High Street, Arco Station Oakland, California" prepared by United Soil Engineering, was submitted to our office for review. The report states that two borings were taken, and two samples were taken from each boring at the 5-foot and 12-foot intervals. Analyses indicate that Soil Sample 1-1, taken at 5 feet from the first boring, has 620 ppm TPH as Low/Medium Hydrocarbons, and 120 ppm TPH as High Boiling Point Hydrocarbons, 1.9 ppm Benzene, 13 ppm Toluene, 10 ppm Ethyl Benzene, and 66 ppm Xylene. Soil Sample 2-1 from Boring 2 had 59 ppm TPH and 1,100 ppm Oil and Grease. The samples taken at 12 feet contained small amounts of BTEX, and were at non-detect levels for TPH.

On June 8, 1990, your consultant, Mr. Mohsen H. Barazi, of JEDCO Consulting Engineers, met with Senior Hazardous Materials Specialist Ariu Levi to determine what the next activities would be required by this office, based on this report. Mr. Levi stated that he wanted:

- 1) A copy of the last tank test
- 2) A copy of the last line leak detection test
- 3) The summaries of last three quarters of inventory reconciliation
- 4) Any information on an installed monitoring well, which was indicated in the report

Mr. Levi also stated that monitoring wells would be necessary to determine if the groundwater has been impacted. Mr. Barazi submitted an Underground Storage Tank Unauthorized Release/Contamination Site Report for the site. Copies of this have been sent to the San Francisco Bay Regional Water Quality Control Board, and to you.

September 18, 1990
2951 High Street
Page 2 of 2

To date, we have only received the tank test results, performed July 31, 1990. We have not received any other information that was requested, and apparently no monitoring well(s) was installed.

You are required to perform additional work at the site to determine the extent of the contamination in the soil, and to determine if groundwater has been impacted. Before any work begins, you must submit a work plan to this office, which describes the activities that will be performed. Once the extent of contamination is defined, you need to determine how you will remediate the contamination.

Site sign-off will happen only after remediation has occurred to the satisfaction of Alameda County and the RWQCB.

If you have any questions, please call the undersigned at 415/271-4320.

Sincerely,

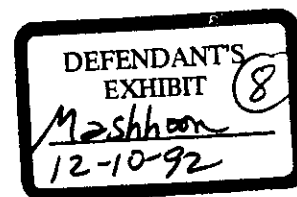


Cynthia Chapman
Hazardous Materials Specialist

cc: Gil Jensen, Alameda County District Attorney, Consumer and
Environmental Protection
Steven LuQuire, RWQCB
George Brewster
Al Eshom

ALAMEDA COUNTY
HEALTH CARE SERVICES

AGENCY
DAVID J. KEARS, Agency Director



DEPARTMENT OF ENVIRONMENTAL HEALTH
Hazardous Materials Program
80 Swan Way, Rm. 200
Oakland, CA 94621
(415)

March 8, 1991

Mr. Moe Mashoon
Zima Centar Inc.
5 Admiral Dr. #301
Emeryville, CA 94608

NOTICE OF VIOLATION

RE: Underground storage tank permit requirements
High Street Arco, 2951 High Street, Oakland, CA 94619

Dear Mr. Mashoon:

This letter follows up an inspection performed at your facility on February 27, 1991. The inspection was performed to evaluate whether the conditions for the 5 year underground storage permit were being met prior to its issuance. Title 23 of the CA Code of Regulations regulates the operation of underground storage tanks in California.

The following violations were noted:

Section 2641(5)d, 2643(c) requires that all single walled underground storage tanks and pipelines be tested annually.

Section 2641 requires that you maintain daily inventory records. Upon inspection there were no inventory reconciliation records available. Inventory records are required to be maintained onsite.

Section 2712 requires that daily inventory reconciliation records be maintained onsite for 3 years.

Section 2644(e,f) requires that quarterly monitoring reports (specifying fuel inventory disparities over the allowable limit) be sent to our office following each three month interval.

Sections 2711(a)9, and 2712(c) require that a written monitoring plan be prepared and maintained onsite describing your monitoring procedure

High Street Arco
March 7, 1991
Page 2 of 2

Title 22 of the Code of Regulations requires that the storage of Hazardous Waste not exceed 90 days. Upon inspection it was noted that a drum labelled Hazardous Waste, dated 10/25/90 was being stored in back of the above facility. The drum was also unsecured. You are requested to have the drum removed and properly disposed of. You are requested to provide this office with a copy of the Hazardous Waste Manifest detailing the ultimate destination of the drum.

You are requested to comply with the above regulations within 10 days of the receipt of this letter.

I have scheduled a re-inspection at the above location for Wednesday March 12, 1991 at 4:00P.M..

Any questions regarding the above requirements can either be addressed during the above meeting or by calling me at 415/ 271-4320.

Sincerely,



Paul M. Smith
Hazardous Materials Specialist

cc: Gil Jensen, Alameda County District Attorney, Consumer and
Environmental Protection Division
Juma Hussein, High Street Arco
Howard Hatayama, DHS

16

RICHARD J. GODFREY
HEALTH SCIENTIST

- Registered -
ENVIRONMENTAL HEALTH SCIENTIST
OCCUPATIONAL SAFETY ENGINEER
INDUSTRIAL HYGIENIST



- National Environmental Health Association # 17434
- American Public Health Association # 50423847
- California Public Health Association # 215527560
- Federation of American Scientists # 1202 546 3300
- Alameda County - California # 149844
- University of California - Berkeley # 215527560
- National Fire Protection Association # A0075468
- National Safety Council # 8454434456

- MEMBER -

- American Federation of Health & Environmental Scientists
- Industrial Hygienists & Occupational Safety Engineers
- American Industrial Hygienists Association
- American Red Cross - Health & Safety Services
- American Society of Safety Engineers
- California Water Pollution Control Association
- National Environmental Training Association
- Institute of Hazardous Materials Management
- Environmental Resource Center
- Washington D.C. - Health & Science Council
- National Safety Training Center

- DIRECTOR -

- Federation of California Scientists
- Godfrey Scientific Consortium
- American Federation of Health Science Professionals

- PROVIDING -

- Environmental Regulatory Services (EPA & DOHS Compliance)
- Occupational Health & Safety Services (OSHA) Compliance - SB198 Programs
- Environmental Assessments & Impact Reporting
- Hazardous Materials Management
- Regulatory Programs Development & Reporting
- Hazardous Materials & Toxics - Disposal
- Emergency Response
- Health & Safety Training
- Industrial Hygiene - Biological Assessments
- Air - Water - Soil & Property Analysis
- Hydrogeological Investigations & Services
- Violation Defense & Remediation
- Underground Storage Tank Management & Removal
- Field Sampling & Laboratory Analysis
- Industrial - Construction - Manufacturing & Chemical Safety Engineering
- Regulatory Licensing Services
- Water Management & Compliance
- Air - Water - Soil Pollution Control
- Asbestos Abatement
- Environmental Construction, Design & Engineering
- Phase I, II, III - Site Assessments
- Complete Laboratory Services
- Pollution Control Systems

- COMPLETE -

Regulatory Compliance Services
EPA - OSHA - DOHS

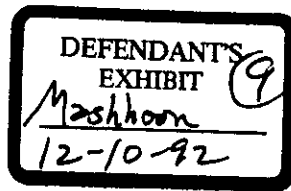


American Conference of
Governmental Industrial Hygienists, Inc.
Fed. ID. #31-1142148

1111 Aladdin Avenue • San Leandro, California 94577
- 24 Hour Services -

Telephone: 510-352-9551 or: 510-475-2905

November 14 1992



Mr Paul Smith, and
Mr Ron Owcarz.

Alameda County Health Care Agency
80 Swan Way (Room 200)
Oakland, CA: 94621

re: High Street Gas Company
& (ARCO Mini Mart)
2951 High Street,
Oakland, CA: 94619

Gentlemen,

I have been retained by the owners of the High Street facility to bring the same into Complete Regulatory Compliance as soon as is possible.

Not only shall we address all points of compliance as listed on Paul Smith's Inspection Form # 1038 of 11-22-92, but we shall and have also begun the process to Remove and Replace all of the Single Walled USTs now in service, with Double walled Tanks as I have been instructed by Mr Mohammad Mashhoon.

We are proceeding with plans for the Four (4) Gasoline Tanks as well as the Waste Oil Tank, and all issues as lited on Pauls's Report.

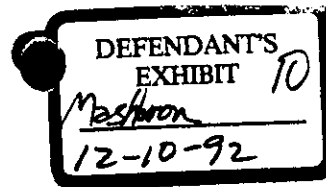
I shall keep you informed of our progress and as you are aware, I document and Photograph All Remedial Progress and shall afford your office with copies of all of the same.

Respectfully

Richard J. Godfrey

ALAMEDA COUNTY
HEALTH CARE SERVICES
AGENCY

DAVID J. KEARS, Agency Director



RAFAT A. SHAHID, ASST. AGENCY DIRECTOR

DEPARTMENT OF ENVIRONMENTAL HEALTH
State Water Resources Control Board
Division of Clean Water Programs
UST Local Oversight Program
80 Swan Way, Rm 200
Oakland, CA 94621
(510) 271-4530

October 30, 1992

Mahammed Mashhoon
5 Admiral Dr. #301
Emeryville, CA 94608

STID 1038

RE: Required investigations at 2951 High St., Oakland,
California

Dear Mr. Mashhoon,

According to the Contamination Report, dated April 12, 1990, two soil borings were drilled at the site and soil samples were collected from five and 12 feet depths from each of these borings. Analysis of the soil samples collected from boring B-1 identified up to 620 ppm Total Petroleum Hydrocarbons as gasoline (TPHg) at a depth of five feet. Analysis of soil samples collected from boring B-2 identified up to 59 ppm TPHg and 1,100 ppm Oil and Grease also at a depth of five feet.

Guidelines established by the California Regional Water Quality Control Board (RWQCB) require that investigations be conducted whenever an unauthorized release of product is suspected from an underground storage tank and associated piping. The observed soil contamination would indicate that such an event may have occurred.

You are required to submit a work plan to this office addressing the determination of the extent of soil contamination at the site. Additionally, you must determine whether the ground water has been impacted by releases from the site. According to the Contamination Report, there is a well located adjacent to the underground storage tanks on site. Please submit the well log for this well. If this office determines this well to be adequately constructed for monitoring the upper aquifer at the site, you shall collect a ground water sample from the well and analyze it for all the waste oil constituents listed in Table 2 of RWQCB's Staff Recommendations for the Initial Evaluation and Investigation of Underground Tanks.

The work plan is due to this office within 45 days of the receipt of this letter. Please be advised that this is a formal request for technical reports pursuant to California Water Code Section 13267(b). Any extensions of the stated deadlines, or modifications of the required tasks, must be confirmed in writing by either this agency or RWQCB.

Mr. Mohammed Mashhoon
RE: 2951 High Street
October 30, 1992
Page 2 of 2

If you have any questions or comments, please contact me at (510)
271-4530.

Sincerely,



Juliet Shin
Hazardous Materials Specialist

cc: Richard Hiett, RWQCB

Gil Jensen, Alameda County District Attorney's Office

Edgar Howell-File(JS)

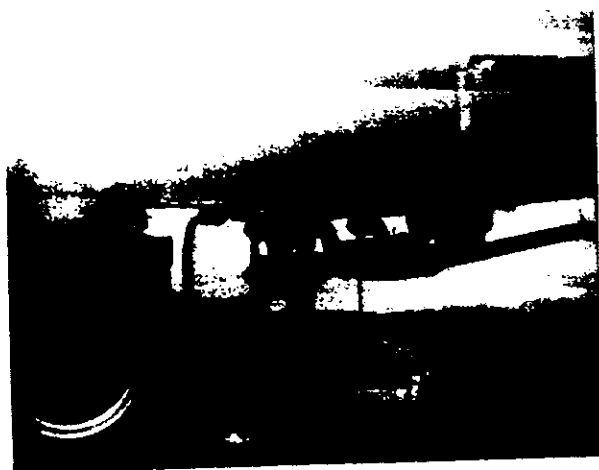


Springfield CAS

⑪



5



⑦



2

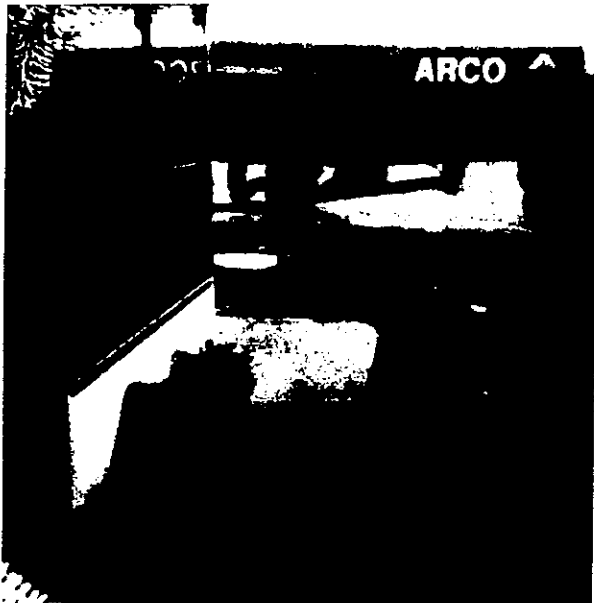
DEFENDANT'S
EXHIBIT
Mashburn 11
12-10-92



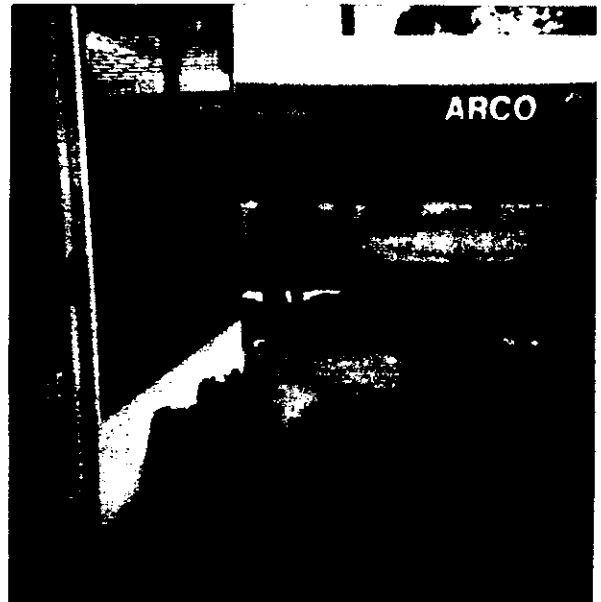
(13) GAS
SPILLAGE
by ARCO DELIVERY MAN



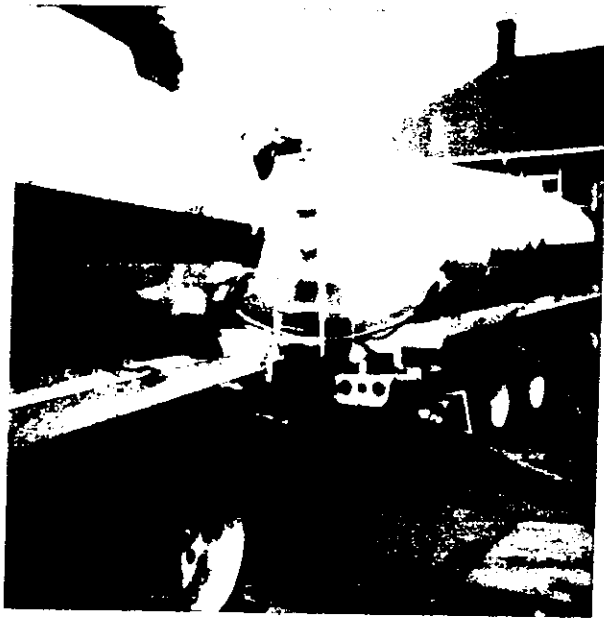
2/17/92 (8)
MAGLE



(3)



4



10



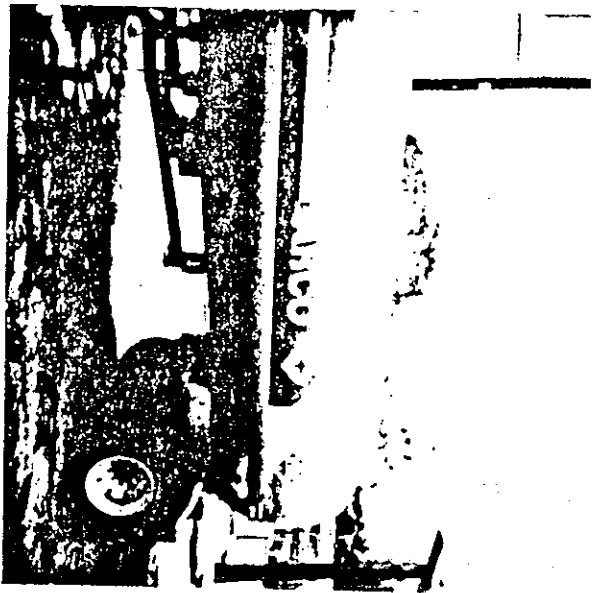
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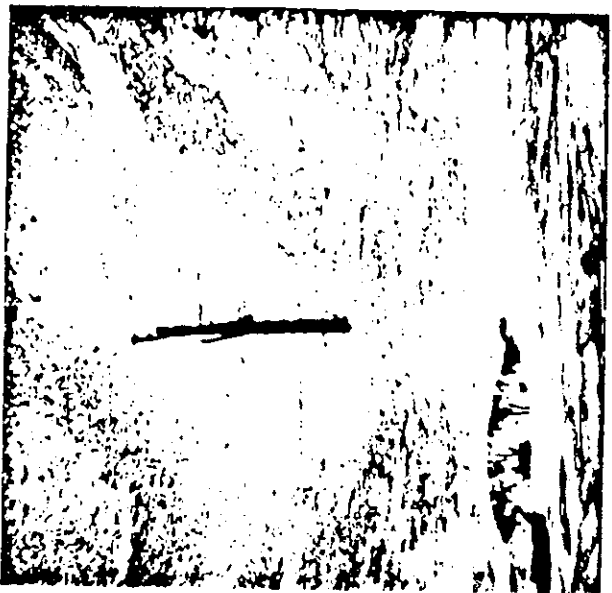
1



MORE spillage
9

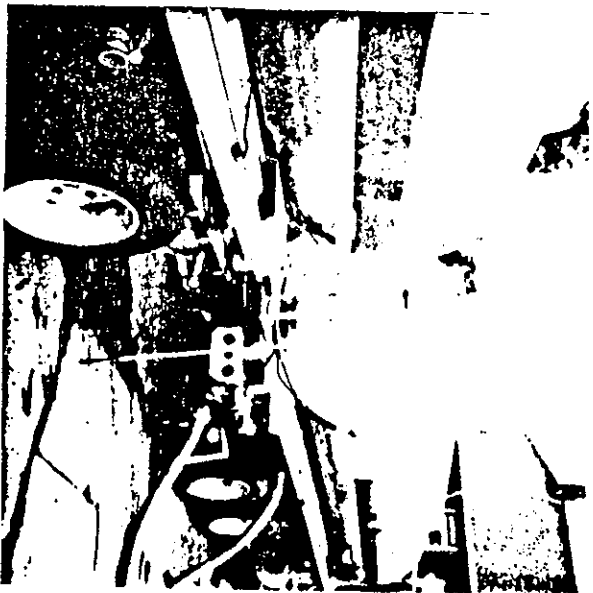


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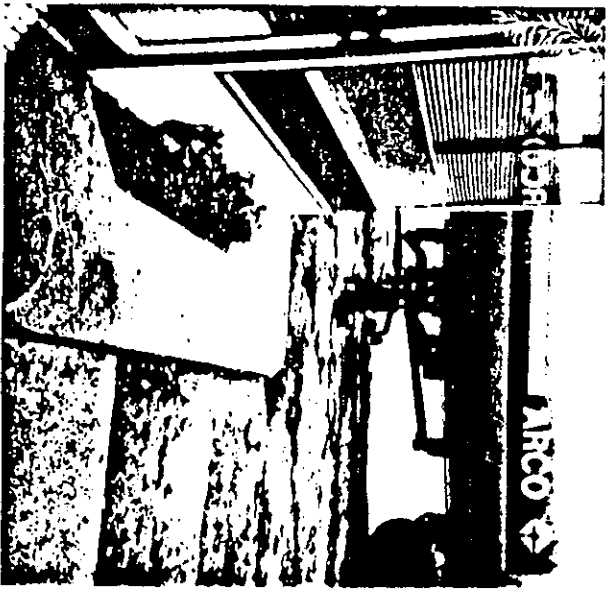


13

GRASS
SPILLAGE



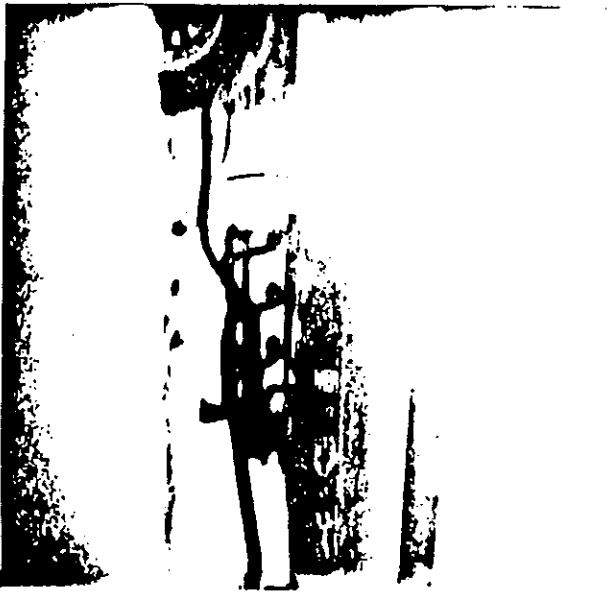
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11

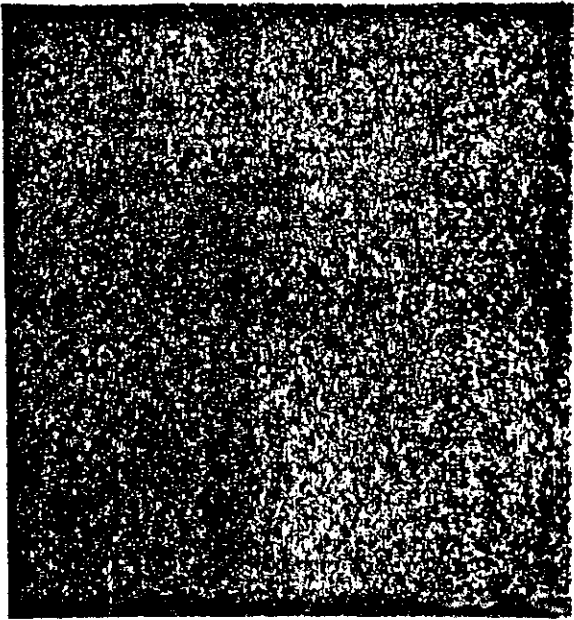


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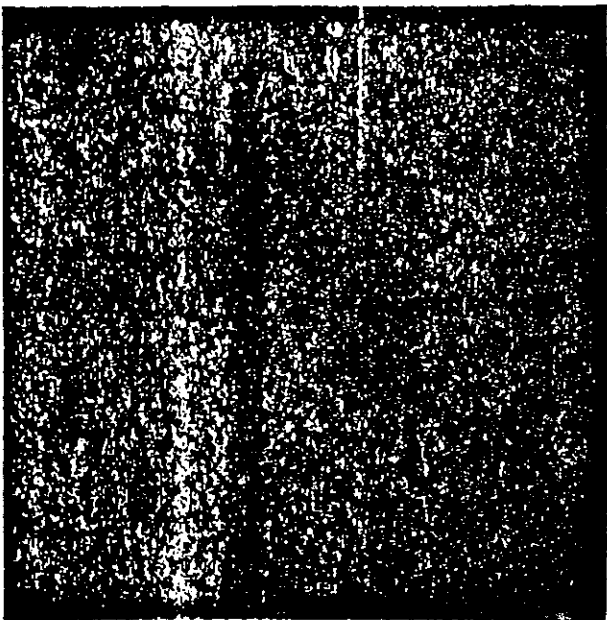


DEFENDANT'S
EXHIBIT
12
M. Schom
12-10-92

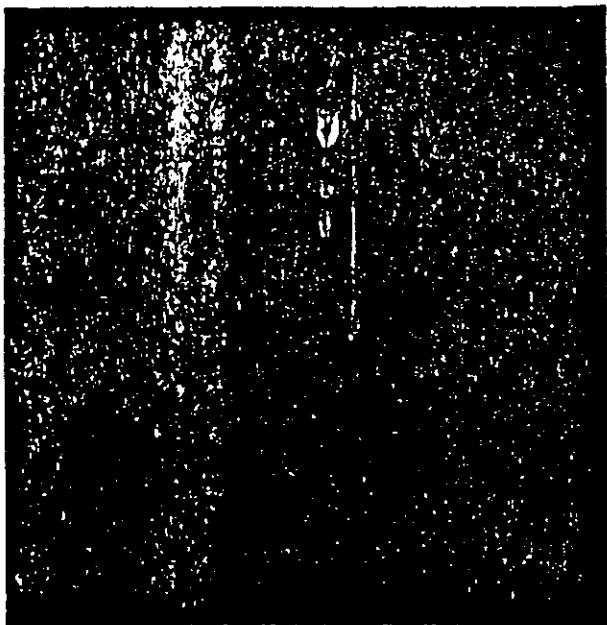
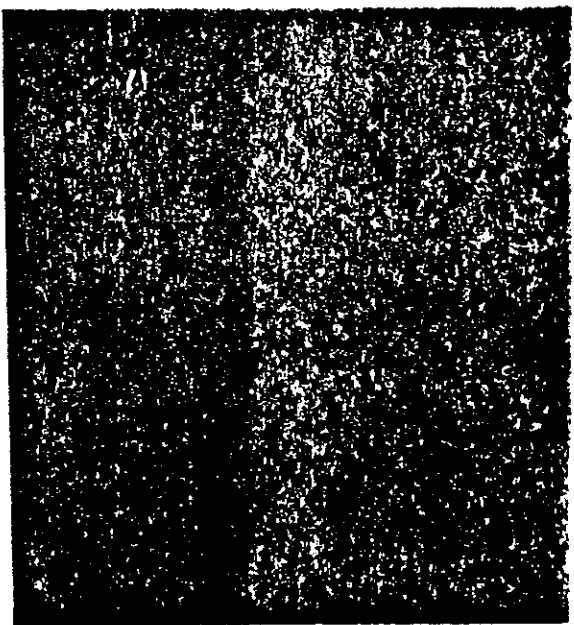
12



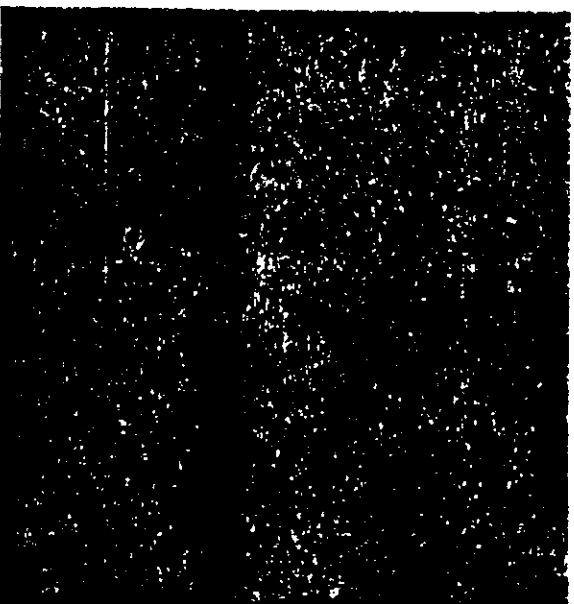
QA's Follow by ARCO
DRIVER 2/17/92 11:50 AM



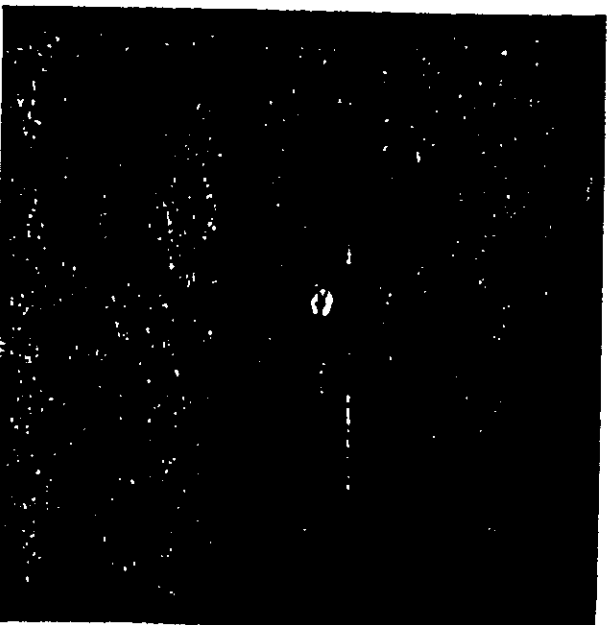
on 2/17/92 at 11:35 AM Delivery
GAS Spillage by Mr. Wallace



Drained from HOSE which was
Removed from TRUCK 2/17/92
11:30 AM



Delivery Date MR.
2/17/92 at 11:35 AM. Wallace



2/17/92 11:35 AM.



Springs & CHS

(11)



5



2/17/92
MALE (8)



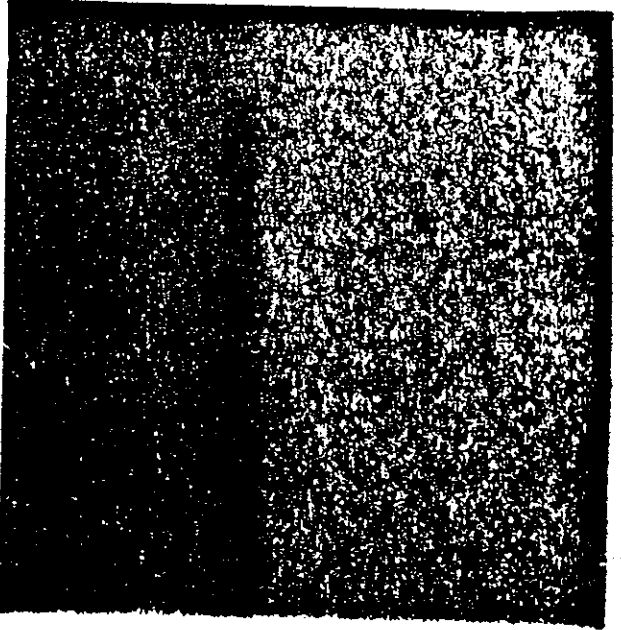
(7)



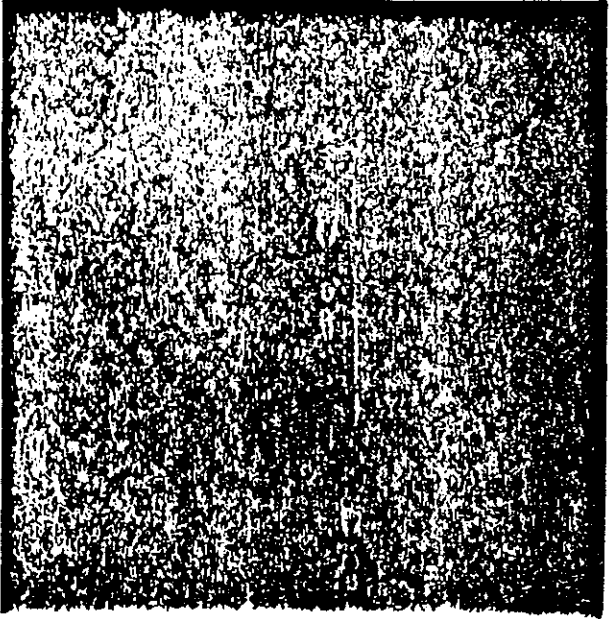
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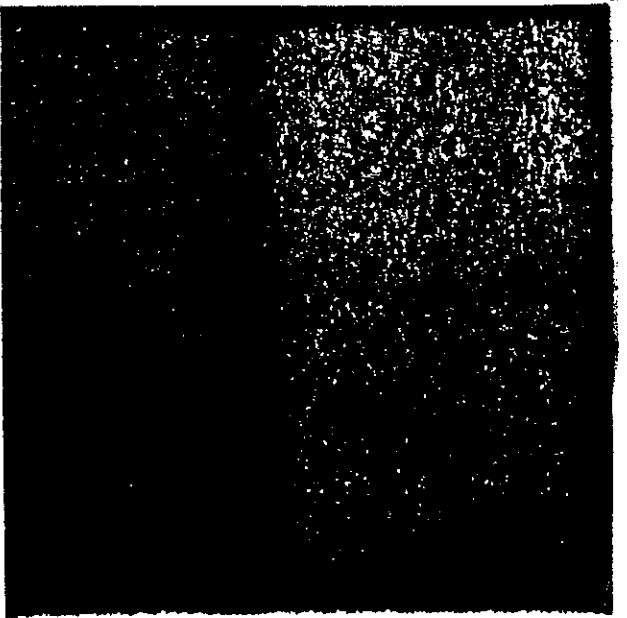
MORE
(9) Sprays



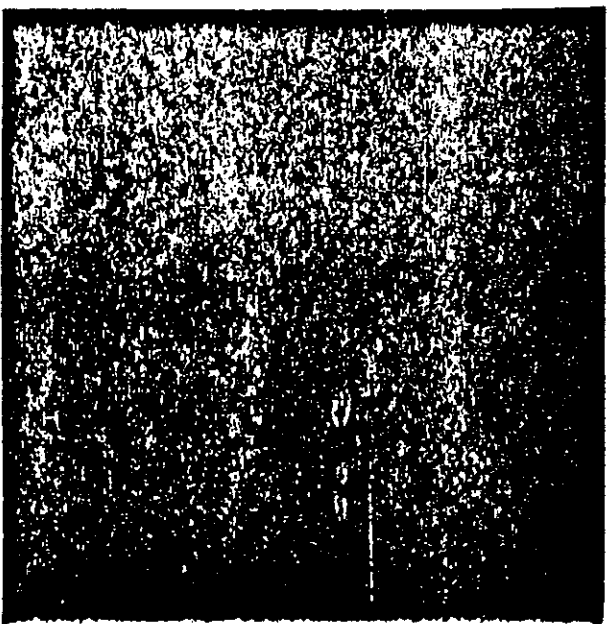
Delivery Date 2/17/92
Signed by Wallace 11:35 AM.



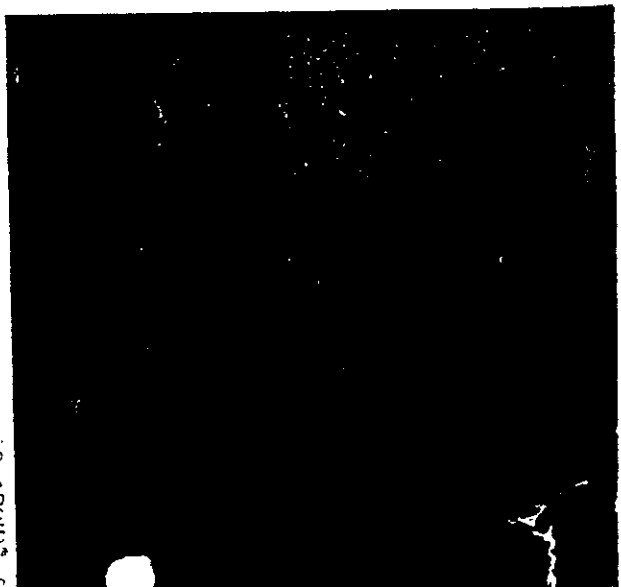
11:35 AM 02/17/92 signed by
DRIVER MR. WALLACE



Fire 3rd Time Spilled 2/17/92 11:35 AM
He removed this before dumping



FIRST Spillage
2/17/92 11:35



Spilled Gasoline on 2/17/92
~~Removed before dumping~~



constantly Spilling GAS
2/17/92 at 1:00