

# Langford & Taylor

ENVIRONMENTAL  
PROTECTION

Carol M. Langford  
Mary Swanson Taylor

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07 OCT 22 PM 3:50

Tel 510.938.3800 Fax 510.938.3802

October 21, 1997

Scott O. Seery  
Hazardous Material Specialist  
Alameda County Hazardous  
Materials Division  
1131 Harbor Bay Parkway, Room 250  
Alameda, California 94502

Re: Linda Shell  
15595 Washington Avenue  
San Lorenzo, California

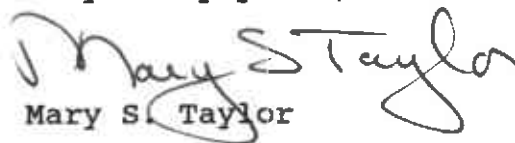
Dear Scott:

To follow up on your request earlier today, I have enclosed a copy of the Settlement Agreement and Mutual Release executed by the various parties in the Mohammadian v. Kubo, et al. action.

Under the terms of the agreement, the Callaris have agreed to submit a Claim Application to the Underground Storage Tank Cleanup Fund, provided that Texaco advance the costs. I forwarded a draft of that application to Texaco's counsel earlier today, and the ball is now back in Texaco's court.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

  
Mary S. Taylor

MJS:lb  
Enclosure

## SETTLEMENT AGREEMENT AND MUTUAL RELEASE

Plaintiffs Mehdi Mohammadian and Fereshteh Mohammadian (collectively, the "Mohammadians") and defendants Bertram H. Kubo ("Kubo"), Texaco Inc. and Texaco Refining and Marketing Inc. (collectively, "Texaco"), Chevron U.S.A. Inc. ("Chevron") and Agnes Calleri and Jessen Calleri (collectively, the "Calleri") agree to resolve fully and completely any and all claims of the Mohammadians and the settling defendants in the action entitled Mehdi Mohammadian and Fereshteh Mohammadian v. Bertram H. Kubo, et al., Case No. CV 744664, filed October 18, 1994, in the Santa Clara County Superior Court (the "Action"). The Mohammadians, Texaco, Chevron, Kubo and the Calleri (collectively, the "Parties") enter into this settlement agreement (the "Agreement") with reference to the following facts:

A. In June 1990, the Mohammadians purchased the real property and gas station located at 15595 Washington Avenue in San Lorenzo, California (the "Property") from Kubo.

B. In September 1991, the Mohammadians began an arbitration against Kubo concerning matters related to the purchase of the Property entitled Mohammadian vs. Kubo, Am. Arb. Assoc. 74 181 01434 (1992) (Schulster, Arb.).

C. On June 8, 1992 the Mohammadians filed a suit against the real estate brokers and other entities involved in the Mohammadians' purchase of the Property in the action entitled Mohammadian v. Grubb & Ellis, Basil Christopoulos, Mike Amidi, Better Business Broker, Ali Amidy, Pam Dillon, and Business & Escrow Service Center, Santa Clara County Superior Court. Case No. 721987.

D. On October 18, 1994, the Mohammadians filed the instant action, in which they sued Kubo, Sumitomo Bank of California, Commonwealth Land Title Company and Robert Conrad Borris, Jr., Inc. for a temporary restraining order, a preliminary injunction prohibiting foreclosure, rescission and damages for a usurious loan.

E. On November 21, 1994, Robert Conrad Borris, Jr., Inc. filed a disclaimer of interest in lieu of an answer to the Mohammadians' complaint.

F. On November 30, 1994, Kubo filed a cross-complaint against Texaco, Groundwater Technology, Inc. and the Callaris for equitable implied indemnity, total indemnity, implied contractual indemnity and contribution, and against the Mohammadians for abuse of process.

G. On June 6, 1995, Kubo dismissed Groundwater Technology, Inc. as a defendant.

H. On June 7, 1995, Texaco filed a cross-complaint against Kubo, the Mohammadians and the Callaris for implied indemnity, implied indemnity (partial) and equitable apportionment/contribution and declaratory relief, and against Kubo for contractual indemnity.

I. On June 15, 1995, the Callaris filed a cross-complaint against the Mohammadians, Kubo and Texaco for indemnity and comparative indemnity.

J. On August 31, 1995, the Mohammadians filed their First Amended Complaint, in which they added the Callaris and Texaco as defendants and restated their claims as follows: (1) temporary restraining order, preliminary and permanent injunction enjoining foreclosure against Kubo, Sumitomo, Commonwealth and Borris; (2) rescission-fraud against Kubo; (3) rescission-mutual mistake against Kubo; (4) recovery of usurious interest against Kubo; (5) continuing trespass against the Callaris, Texaco and Kubo; (6) continuing private nuisance against the Callaris, Texaco and Kubo; (7) latent construction defects against Kubo; (8) negligence against Texaco; (9) implied equitable indemnity against the Callaris, Texaco and Kubo; and (10) for declaratory relief against the Callaris, Texaco and Kubo.

K. On or about August 31, 1995, the California Regional Water Quality Control Board, San Francisco Bay Region, designated the Callaris, the Mohammadians, Kubo and Texaco as "responsible parties" with respect to groundwater and soils contamination at the

Property.

L. On or about October 18, 1995, the Mohammadians dismissed without prejudice Stanley E. Long (sued as Doe 2) and Mildred O. Long (sued as Doe 3).

M. On or about November 16, 1995, defendant Chevron, previously added as a Doe defendant, filed a cross-complaint against the Mohammadians for implied indemnity, equitable apportionment/contribution and declaratory relief.

N. Sumitomo Bank of California and Commonwealth Land Title Company were severed from this action.

The Parties agree as follows:

1. Mutual Releases And Dismissals: **The Parties**, on behalf of themselves and their past, present, and future agents, directors, officers, employees, partners, attorneys, auditors, parent companies, subsidiaries, affiliates, heirs, executors, representatives, successors and assigns, mutually release and forever discharge each other and their past, present, and future agents, directors, officers, employees, partners, attorneys, auditors, parent companies, subsidiaries, affiliates, heirs, executors, representatives, successors and assigns from any and all past, present, and future claims, demands, losses, costs, expenses, attorneys' fees, actions, causes of action or other liabilities that they have had in the past, may have now or may have in the future arising out of or related to (1) the Property and/or (2) the facts alleged in the Action; **EXCEPT THAT** the Parties do not release (1) claims and obligations created by this Agreement, (2) claims brought by or on behalf of neighboring property owners, (3) claims arising out of or related to contamination of the soils or groundwater at, around, or below the Property due to operations at the Property by the Mohammadians or their successors, employees, agents or assigns; or (4) claims asserted by the Mohammadians and other parties in the action described in recital C above other than claims between the Mohammadians and Kubo. The Mohammadians shall dismiss with prejudice their appeal in the matter of Mehdi Mohammadian and Fereshteh

Mohammadian v. Bertram Kubo, Court of Appeal, Sixth Appellate District, case number HO16331, appealing the Order Determining Liability for Contribution and Apportioning Amount of Contribution.

2. Upon full execution of this Agreement and in accordance with the provisions below, all Parties will dismiss with prejudice all complaints and cross-complaints filed in the Action.

3. This Agreement shall be binding on and inure to the benefit of the Parties and their respective heirs, successors, assigns and any corporation or other entity into or with which any party to the Agreement may merge, combine, or consolidate.

4. Modification of Debts Between the Mohammadians and Kubo:

The Mohammadians and Kubo will modify their debts relating to the Property as follows. The breach by the Mohammadians or Kubo of any of their obligations under this paragraph shall have no effect on the obligations of the Mohammadians or Kubo under this Agreement to any other party to the Agreement. The releases granted by and in favor of the parties to the Agreement other than between the Mohammadians and Kubo are unconditional and do not depend on the performance of the Mohammadians and Kubo under this paragraph:

a. Kubo will use his best efforts to obtain a six-month extension of the maturity date of the first note and deed of trust in favor of Sumitomo Bank relating to and secured by the Property (the "Sumitomo Note"). The extension will fix a new maturity date to be determined by Sumitomo upon preparation of all the documentation.

b. Upon Sumitomo Bank's agreement to extend the maturity date of the Sumitomo Note, the Mohammadians shall execute, and Kubo shall accept, a

modified all-inclusive note in favor of Kubo in an amount equal to (I) the principal amount then outstanding on the Sumitomo Note, plus (II) the principal amount of \$109,000, the latter amount only bearing interest at the rate of eight percent (8%). In consideration of Kubo obtaining an extension of the Sumitomo note for six months, the Mohammadians will make monthly payments on behalf of Kubo to Sumitomo for the amount of monthly principal and interest. In the event that there are any expenses and/or increased costs associated with obtaining the extension of the Sumitomo Note, the Mohammadians will pay those expenses and/or increased costs. The entire remaining amount of the modified all-inclusive note not paid off by the Mohammadians during the six month extension of the Sumitomo Note will become due upon the earlier of the following:

- (i) Upon sale of the Property or refinancing of the Sumitomo Note; or
- (ii) Upon the date that the Sumitomo Note becomes finally due and payable; or
- (iii) Six (6) months after the local agencies have closed their case on remediation of the Property; or
- (iv) January 1, 2000.

The Mohammadians will immediately use their best efforts simultaneously to sell the Property and to refinance the above-described notes, with Kubo's \$109,000 plus interest under the all-inclusive note being paid immediately out of the first of the preceding to occur.

5. Indemnification re Contamination: Texaco shall provide an indemnification agreement, substantially in the form attached as Exhibit A, providing for indemnification against governmental orders arising out of contamination of the soils or groundwater at or beneath the Property existing as of the date the Action was filed and not attributable to operations at the Property by the Mohammadians or their successors, employees, agents or assigns. Under no circumstances shall this indemnification provide indemnification against claims or actions by third-parties.

6. To the extent required by governmental agencies having jurisdiction over the Property, Texaco also shall undertake remedial action on behalf of the Calleris regarding existing contamination of the soils and groundwater at or beneath the Property that is not attributable to the operations at the Property by the Mohammadians or their successors, employees, agents or assigns.

7. Texaco And Chevron's Joint Payment To The Mohammadians: Texaco and Chevron jointly shall pay the Mohammadians the total sum of \$25,000, to be delivered to the Mohammadians' counsel of record, Jeffrey P. Widman, within thirty days of the full execution of this Agreement.

8. Calleris To File UST Fund Application: The Calleris agree to use their best efforts, with the assistance of Texaco and Kubo, to prepare and submit an application to the Underground Storage Tank Cleanup Fund (the "Fund") and to assist Texaco in appealing any decision by the Fund denying reimbursement of costs incurred by Texaco in remediating or investigating the Property on behalf of the Calleris. With the exception of those portions of the application dealing with tax and other financial information, Kubo and Texaco shall have the right to review and comment on the Calleris' application prior to the submittal to the Fund. A copy of this Agreement will be included with the application.

With the exception of the Calleris' attorneys' fees with respect to the initial Fund application, Texaco agrees to pay, on behalf of the Calleris, any cost of preparing and submitting an application to the Fund and appealing any adverse decision by the Fund – in

addition to all investigation and remediation costs, in accordance with Paragraph 6 above, in connection with the Property. The Callaris shall have no obligation to advance or pay any amounts either in connection with this settlement, or their application to the Fund. Nor shall the Callaris be obligated to repay any amounts to Texaco or anyone else regardless of whether or not the Fund accepts their Fund application. The Callaris and Texaco agree that investigation and remediation of the Property by Texaco has been and shall be on behalf of the Callaris. The Callaris further agree that in the event that the Callaris obtain reimbursement from the Fund for any expenses incurred by Texaco on behalf of the Callaris under this Agreement, then the Callaris shall be obligated to pay over that reimbursement to Texaco. The Callaris make no representations, warranties, or guaranties regarding their application to the Fund or its likelihood of being granted.

9. Costs And Attorneys Fees: Except as otherwise provided in Paragraph 8, each party shall bear its own costs and attorneys' fees incurred in connection with the Action and any administrative action relating to contamination of soils and groundwater at, under or around the Property.

10. Waiver Under California Civil Code § 1542: The Parties and each of them acknowledge that they have been fully advised of and are aware of the contents of section 1542 of the Civil Code of the State of California and that section 1542 and the benefits thereof are expressly waived. Section 1542 reads as follows:

**A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.**

11. No Admission Of Liability: This Agreement constitutes a compromise of vigorously disputed claims and does not constitute and shall not be construed as an admission of liability by any of the Parties. The Parties specifically state that they enter into this Agreement solely to avoid the burden and expense of further litigation.



12. No Previous Assignments: The Parties represent and warrant to one another that none of them has assigned or transferred or purported to assign or transfer to any person or entity any claim, demand, debt, liability, obligation, account, reckoning, cost, expense, lien, action or cause of action or any part or portion thereof released in the Agreement.

13. Understanding and Voluntariness of Agreement: The Parties to this Agreement declare that they know and understand the contents of this Agreement and that the Agreement has been reviewed and approved as to form by their respective counsel. The Parties declare that they have executed this Agreement voluntarily and that they understand that no party can proceed against any other party with respect to or on account of any claims or matters released. Each party has had the opportunity to consult with counsel in connection with this Agreement, and to investigate the claims alleged in the Action.

14. Severability, Integration and Modification: This Agreement constitutes the entire agreement of the Parties and shall supersede all prior and contemporaneous negotiations, representations, agreements and understandings. In the event one or more provisions of this Agreement is held to be unenforceable, illegal or invalid in any respect, the enforceability, legality or validity of the remaining provisions shall not be affected thereby. This Agreement may be modified only by a subsequent agreement in writing among all Parties.

15. Neutral Construction: The Parties agree that each party and counsel for each party have negotiated and reviewed this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in any interpretation of this Agreement.

16. Application of California Law: This Agreement, and any other documents referred to in the Agreement, shall in all respects be interpreted, enforced and governed by and under the laws of the State of California, without regard to principles of conflicts of law.

17. Arbitration of Disputes. ANY CLAIM OR CONTROVERSY OF WHATEVER NATURE, INCLUDING BUT NOT LIMITED TO THE ISSUE OF ARBITRABILITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE DECIDED BY FINAL AND BINDING ARBITRATION TO BE ADMINISTERED BY A SINGLE NEUTRAL ARBITRATOR CHOSEN BY THE UNANIMOUS CONSENT OF THE PARTIES TO THE DISPUTE TO BE ARBITRATED OR, FAILING SUCH UNANIMOUS CONSENT, BY A SINGLE NEUTRAL ARBITRATOR SELECTED BY JAMS/ENDISPUTE IN ACCORDANCE WITH THEIR RULES OF PRACTICE AND PROCEDURE THEN IN EXISTENCE. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS PARAGRAPH 17 ARBITRATION OF DISPUTES PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THIS PARAGRAPH 17 TO NEUTRAL ARBITRATION.

Parties' Initials:

James Treaco Inc and Treaco Refining  
and Marketing Inc.

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Parties' Initials:

4.9.5. / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
\_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

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Parties' Initials:

MM / FM By: JPW \_\_\_\_\_ / \_\_\_\_\_  
\_\_\_\_\_/\_\_\_\_\_ \_\_\_\_\_ / \_\_\_\_\_

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Parties' Initials:

<u>          </u> <i>JMR</i>	<u>          </u> / <u>          </u>	<u>          </u> / <u>          </u>
<u>          </u> <i>BN</i>	<u>          </u> / <u>          </u>	<u>          </u> / <u>          </u>

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Parties' Initials:

<u>jad / ac</u>	_____ / _____	_____ / _____
_____ / _____	_____ / _____	_____ / _____

18. Execution in Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one document.

19. Attorneys' Fees. If any party to this Agreement commences an action in law or equity, or seeks arbitration, on claims arising out of or related to the subject matter of this Agreement, the prevailing party shall be entitled to recover from the other party all its costs of suit, including all out of pocket expenses, expert witness fees, and reasonable attorneys' fees.

IN WITNESS WHEREOF each of the Parties hereto has executed this Agreement.

DATED: August \_\_, 1997.

\_\_\_\_\_  
MEHDI MOHAMMADIAN

DATED: August \_\_, 1997.

\_\_\_\_\_  
FERESHTEH MOHAMMADIAN

DATED: August 4, 1997.

  
\_\_\_\_\_  
BERTRAM KUBO

DATED: August \_\_, 1997.


\_\_\_\_\_  
AGNES CALLERI

DATED: August \_\_, 1997.

\_\_\_\_\_  
JESSEN CALLERI

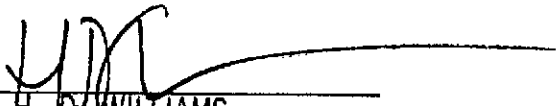
TEXACO REFINING AND MARKETING INC.

DATED: August \_\_, 1997.

By:   
Its: H. D. WILLIAMS  
ASSISTANT SECRETARY

TEXACO INC.

DATED: August \_\_, 1997.

By:   
Its: H. D. WILLIAMS  
ASSISTANT SECRETARY

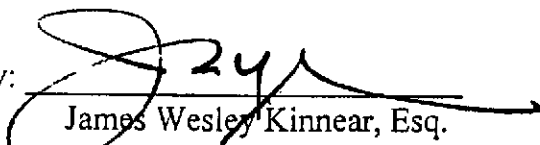
CHEVRON U.S.A. INC.

DATED: August \_\_, 1997

By: \_\_\_\_\_  
Its: \_\_\_\_\_

APPROVED AS TO FORM:

COHEN, MAKOFF & KINNEAR LLP

By:   
James Wesley Kinnear, Esq.  
Attorneys for Texaco Inc. and Texaco  
Refining and Marketing Inc.

LAW OFFICES OF JEFFREY P. WIDMAN

By: \_\_\_\_\_  
Jeffrey P. Widman, Esq.  
Attorneys for Mehdi and Fereshti  
Mohammadian



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19. Attorneys' Fees. If any party to this Agreement commences an action in law or equity, or seeks arbitration, on claims arising out of or related to the subject matter of this Agreement, the prevailing party shall be entitled to recover from the other party all its costs of suit, including all out of pocket expenses, expert witness fees, and reasonable attorneys' fees.

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DATED: August \_\_, 1997.

\_\_\_\_\_  
MEHDI MOHAMMADIAN

DATED: August \_\_, 1997.

\_\_\_\_\_  
FERESHTEH MOHAMMADIAN

DATED: August \_\_, 1997.

\_\_\_\_\_  
BERTRAM KUBO

DATED: August 11, 1997.

Agnes Calleri  
\_\_\_\_\_  
AGNES CALLERI

DATED: August \_\_, 1997.

Jessen Calleri  
\_\_\_\_\_  
JESSEN CALLERI

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IN WITNESS WHEREOF each of the Parties hereto has executed this Agreement.

DATED: August 12, 1997.

M. Mohammadian  
MEHDI MOHAMMADIAN

DATED: August 12, 1997.

F. Mohammadian  
FERESHTEH MOHAMMADIAN

DATED: August \_\_, 1997.

\_\_\_\_\_  
BERTRAM KUBO

DATED: August \_\_, 1997.

\_\_\_\_\_  
AGNES CALLERI

DATED: August \_\_, 1997.

\_\_\_\_\_  
JESSEN CALLERI

TEXACO REFINING AND MARKETING INC.

DATED: August \_\_, 1997.

By: \_\_\_\_\_

Its:

TEXACO INC.

DATED: August \_\_, 1997.

By: \_\_\_\_\_

Its:

CHEVRON U.S.A. INC.

DATED: August \_\_, 1997

By: \_\_\_\_\_

Its:

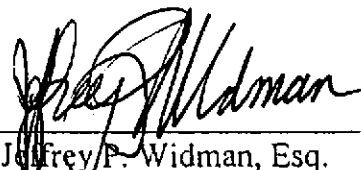
APPROVED AS TO FORM:

COHEN, MAKOFF & KINNEAR LLP

By: \_\_\_\_\_

James Wesley Kinnear, Esq.  
Attorneys for Texaco Inc. and Texaco  
Refining and Marketing Inc.

LAW OFFICES OF JEFFREY P. WIDMAN

By: 

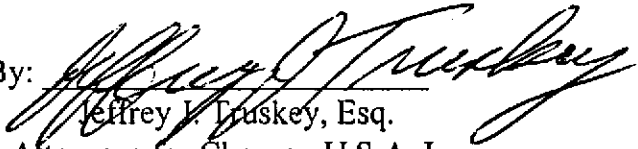
Jeffrey P. Widman, Esq. 8/13/97

Attorneys for Mehdi and Fereshti  
Mohammadian

LANGFORD & TAYLOR LLP

By: \_\_\_\_\_  
Mary Swanson Taylor, Esq.  
Attorneys for Agnes and  
Jessen Calleri

CHEVRON CORPORATION, LEGAL DEPARTMENT

By:   
Jeffrey J. Truskey, Esq.  
Attorneys for Chevron U.S.A. Inc.

RANDICK & O'DEA

By: \_\_\_\_\_  
Julie M. Rose  
Attorneys for Bertram Kubo

LANGFORD & TAYLOR LLP

By: 

Mary Swanson Taylor, Esq.  
Attorneys for Agnes and  
Jessen Calleri

CHEVRON CORPORATION, LEGAL DEPARTMENT

By: \_\_\_\_\_

Jeffrey J. Truskey, Esq.  
Attorneys for Chevron U.S.A. Inc.

RANDICK & O'DEA

By: \_\_\_\_\_

Julie M. Rose  
Attorneys for Bertram Kubo

TEXACO REFINING AND MARKETING INC.

DATED: August \_\_, 1997.

By: \_\_\_\_\_  
Its:

TEXACO INC.

DATED: August \_\_, 1997.

By: \_\_\_\_\_  
Its:

CHEVRON U.S.A. INC.

DATED: August 19, 1997

By: F. G. [Signature]  
Its: ASSISTANT SECRETARY

APPROVED AS TO FORM:

COHEN, MAKOFF & KINNEAR LLP

By: \_\_\_\_\_  
James Wesley Kinnear, Esq.  
Attorneys for Texaco Inc. and Texaco  
Refining and Marketing Inc.

LAW OFFICES OF JEFFREY P. WIDMAN

By: \_\_\_\_\_  
Jeffrey P. Widman, Esq.  
Attorneys for Mehdi and Fereshti  
Mohammadian

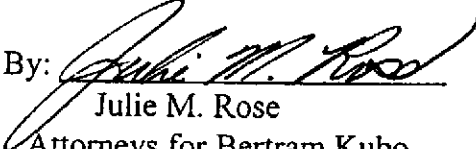
LANGFORD & TAYLOR LLP

By: \_\_\_\_\_  
Mary Swanson Taylor, Esq.  
Attorneys for Agnes and  
Jessen Calleri

CHEVRON CORPORATION, LEGAL DEPARTMENT

By: \_\_\_\_\_  
Jeffrey J. Truskey, Esq.  
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RANDICK & O'DEA

By:   
Julie M. Rose  
Attorneys for Bertram Kubo

## Indemnity Agreement

Texaco Refining and Marketing Inc. ("TRMI") agrees to indemnify Mehdi and Fereshteh Mohammadian from and against agency orders regarding environmental contamination at or emanating from the property described more particularly below (the "Property"):

### LEGAL DESCRIPTION OF PROPERTY

For the purposes of this indemnity agreement, "environmental contamination" means environmental contamination resulting from an unauthorized release of petroleum products, by-products, and wastes, including benzene.

TRMI does not agree to indemnify Mehdi and Fereshteh Mohammadian from or against agency orders regarding environmental contamination resulting from unauthorized releases after Mehdi and Fereshteh Mohammadian purchased the Property in June 1990.

TRMI does not agree to indemnify Mehdi and Fereshteh Mohammadian from or against any claims by third parties, other than government agencies with jurisdiction over the Property, arising out of or relating to environmental contamination at or emanating from the Property.

TRMI or its successors or assigns shall have sole authority to negotiate with any applicable agency with jurisdiction over the Property with respect to any orders issued or contemplated by the applicable agencies.

This indemnity shall terminate on the issuance of a no further action letter or closure, or their substantial equivalent, by the applicable agencies with jurisdiction over the Property.

This indemnity agreement may be assigned by Mehdi and Fereshteh Mohammadian to any lender making a loan secured by the Property, or any buyer of the Property, without the consent of TRMI.



In the event of any dispute between TRMI and Mehdi and Fereshteh Mohammadian, or their successors or assigns, arising out of or related to this indemnity agreement, including without limitation a dispute whether environmental contamination at or under the Property resulted from unauthorized releases before or after Mehdi and Fereshteh Mohammadian purchased the Property, such dispute shall be submitted to the American Arbitration Association for binding arbitration pursuant to the American Arbitration Association's rules of procedure. The arbitration hearings shall take place in San Francisco. The parties to the dispute shall bear their own costs and attorneys' fees in connection with the arbitration.

Dated: August \_\_, 1997


TEXACO REFINING & MARKETING INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

Approved as to form:

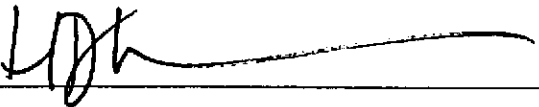
LAW OFFICES OF JEFFREY P. WIDMAN

By:  \_\_\_\_\_  
Jeffrey P Widman 8/13/97

In the event of any dispute between TRMI and Mehdi and Fereshteh Mohammadian, or their successors or assigns, arising out of or related to this indemnity agreement, including without limitation a dispute whether environmental contamination at or under the Property resulted from unauthorized releases before or after Mehdi and Fereshteh Mohammadian purchased the Property, such dispute shall be submitted to the American Arbitration Association for binding arbitration pursuant to the American Arbitration Association's rules of procedure. The arbitration hearings shall take place in San Francisco. The parties to the dispute shall bear their own costs and attorneys' fees in connection with the arbitration.

Dated: August \_\_, 1997

TEXACO REFINING & MARKETING INC.

By: 

Its: H. D. WILLIAMS  
ASSISTANT SECRETARY

Approved as to form:

LAW OFFICES OF JEFFREY P. WIDMAN

By: \_\_\_\_\_

Jeffrey P Widman