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Alameda County
Environmental Health

TOLLING/STANDSTILL AGREEMENT

This Tolling Agreement ("Agreement") is entered into and shall be effective as of August 29, 2007 by and between Cardanal Properties, LLC ("Owner"), and Pacific Gas & Electric Company ("PG&E"), with reference to the following facts and contentions:

WHEREAS, remediation work with respect to five (5) underground storage tanks ("USTs") found at its real property commonly referred to as 626 2nd Street, Oakland, California ("the Property") through Owner's consultants, Clearwater Group, discovered the presence of diesel residue in one tank on the property, denominated Tank I, gasoline and diesel residues in two tanks on the Property, denominated Tanks II and III, as well as creosote residues in two other tanks, denominated Tanks IV, and V; and

WHEREAS, Owner asserts that it never used any of the USTs on the Property; and

WHEREAS, Owner asserts that PG&E is a "responsible party" under applicable state and federal environmental laws with respect to all five (5) USTs, having identified PG&E as a former tenant of the Property in a Phase I Environmental Assessment dated March 3, 2006; and

WHEREAS, PG&E acknowledges that it was a tenant of the Property from 1952 through 1963, and that it installed the two underground storage tanks denominated Tanks II and III to store and dispense gasoline; and

WHEREAS, PG&E has agreed to pay for all reasonable, documented investigation and remediation costs associated with Tanks II and III, the two tanks that PG&E installed; and

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WHEREAS, Owner contends, and PG&E denies, that PG&E is a responsible party with respect to the presence of diesel residues in Tank 1 and for the presence of creosote residues in Tanks IV, and V, and any possible soil or groundwater contamination that might have resulted therefrom; and

WHEREAS, all of the USTs have been closed in place with the approval of the City of Oakland Fire Department; and

WHEREAS, the Lead Agency with respect to the Property is currently the County of Alameda; and

WHEREAS, the parties expect that the Lead Agency will require further investigation and possible further remediation of the Property; and

WHEREAS, it is Owner's intention to seek reimbursement of investigation and remediation expenses from the State of California Water Resources Control Board ("SWRCB") Underground Storage Tank Cleanup Fund ("the Fund"), and neither Owner nor PG&E wishes to prejudice its position with respect to such an application or with respect to further requirements of the Lead Agency by finalizing an agreement with respect to Tanks I, IV and V; and

WHEREAS, despite their differences, the parties wish to cooperate towards the end of obtaining clearance of the Property from the Lead Agency and towards the end of maximizing any available reimbursements from the Fund and, therefore, do not wish to engage in litigation between themselves at this point in time; and

WHEREAS, the parties intend to engage in further settlement discussions once the nature and extent of any further requirements of the Lead Agency have been determined; and

WHEREAS, Owner wants to avoid any prejudice arising from the delay in the assertion of claims; and

WHEREAS, absent this Tolling/Standstill Agreement, Owner might be required under applicable law to file suit against PG&E on or around March 6, 2009;

NOW, THEREFORE, in this independent and separately enforceable agreement, it is hereby agreed as follows:

1. The above recitals are incorporated by reference as though set forth in full.

2. The period from August 29, 2007, to and including 30 days after the date upon which (i) Notice is given, as described below; or (ii) this agreement expires by its terms, shall not be asserted or relied upon in any way in computing the running of time of any statute of limitations, or by way of laches, or by way of any other time limitation (whether statutory, contractual, or otherwise) concerning any cause of action, claim, or counterclaim (collectively "claim"), however asserted, hereafter brought by Owner with respect to any claim arising out of PG&E's use of Tanks I, II, III, IV, or V on the Property, or brought by PG&E with respect to any claim arising out of Owner's use of Tanks I, II, III, IV, or V on the Property.

3. Nor, during the period from August 29, 2007, to and including 30 days after the date upon which (i) Notice is given, as described below; or (ii) this agreement expires by its terms, shall any arguably applicable time-related statute or rule of law, be asserted or relied upon in any way concerning any claim, however asserted, hereafter brought by Owner with respect to any claim arising out of PG&E's use of Tanks I, II, III, IV, or V on the Property, or brought by PG&E with respect to any claim arising out of Owner's use of Tanks I, II, III, IV, or V on the Property.

4. This Tolling/Standstill Agreement shall expire on August 29, 2010 (30 days after which any applicable statute of limitations or similar doctrine shall recommence to run), unless earlier terminated through written notice ("Notice") by PG&E to Owner, or by Owner to PG&E. Said Notice shall be accomplished by a written statement of intent to terminate this Agreement, addressed as follows:

To Owner:
Cardanal Properties, LLC
c/o Malcolm Leader-Picone, Esq.
BARTLETT, LEADER-PICONE & YOUNG, LLP
2201 Broadway, Suite 803
Oakland, CA 94612

To PG&E:
Mari C. Snyder, Esq.
Pacific Gas and Electric Company
Law Department
77 Beale Street, Room 3041
Mail Code B30A
San Francisco, CA 94105

5. The tolling provision in Paragraphs 2 and 3, above, shall not be deemed to have been terminated through Notice unless received by the party to whom Notice is directed as set forth in Paragraph 4, above. Receipt shall be deemed conclusively established by verified proof of service by hand-delivery or by proof of mailing by certified mail, return receipt requested, or by proof of delivery by overnight mail service.

6. By executing this Tolling/Standstill Agreement, the parties hereto neither waive nor admit the existence or applicability of any statute of limitations defense (or other similar doctrine or rule) that might otherwise exist under applicable law. In particular, nothing in this Agreement is intended to or shall revive any claim which would otherwise be barred or extinguished prior to the effective date of this Agreement.

7. The individuals signing this document below warrant: (i) that they are authorized to do so on behalf of their respective parties; and (ii) that in entering into this Agreement they have had the opportunity to receive, or have in fact received, advice by independent counsel of their own choice.

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8. The execution of this Agreement shall in no way operate as an admission of liability or responsibility by any of the parties hereto to any third person; except that Owner is authorized to share a copy of this Agreement with the Lead Agency, the SWRCB, and the Fund.

9. This Agreement shall be governed by California law and may be modified only by written agreement, signed by each of the parties hereto.

10. The parties may execute this document in counterparts, all of which shall constitute the same agreement.

DATED: Oct 30, 2007.

Pacific Gas & Electric Company

BY: Maei Sydn

DATED: Nov 2, 2007.

Its: attorney

Cardanal Properties, LLC

BY: Dan Altwarg
Dan Altwarg, Managing Member