

## SETTLEMENT AGREEMENT

Northern California River Watch, a California corporation ("RIVER WATCH") and MICHAEL M. GHOLAMI, dba the A & M Mini Mart, enter into this agreement to settle ("Settlement Agreement") as follows:

RIVER WATCH and Mr. GHOLAMI, to the extent allowable under law, State Bar of California and American Bar Association rules on behalf of themselves, their successors and assigns, and their past, present and future members, officers, directors, shareholders, principals, agents, representatives, insurers, indemnitors, indemnities, sureties, and attorneys (collectively "Parties") enter into this Settlement Agreement to settle disputed claims between the Parties as set forth below.

On or about May 25, 2007, RIVER WATCH sent a letter to Mr. GHOLAMI captioned *Notice of Violations and Intent to File Suit under Resource Conservation and Recovery Act* ("Notice"). Michael GHOLAMI owns and/or operates a facility ("Facility") located at 440 Hearn Avenue, in Santa Rosa, California, which was identified in RIVER WATCH's Notice. In the Notice, RIVER WATCH alleged Mr. GHOLAMI was in violation of the federal Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901, et seq. and the California State Underground Storage of Hazardous Substance Account Act, California Health & Safety Code § 25280, et seq.

RIVER WATCH contends Mr. GHOLAMI discharged petroleum products and chemicals associated with such products ("petroleum hydrocarbons") into the soil and ground water at or near the Facility identified in the RIVER WATCH notice letter, and that Mr. GHOLAMI violated various environmental and operational laws, including but not limited to RCRA and associated regulations, by allegedly failing to comply with various reporting, release prevention, monitoring, and remediation regulations, directives, and guidelines, and by creating or allowing such contamination to remain in the soil and ground water in a manner that may create an imminent and substantial endangerment to health and/or the environment.

On or about November 21, 2007, RIVER WATCH brought an action in Federal District Court to compel Mr. GHOLAMI's compliance with RCRA, to which Mr. GHOLAMI has not responded with an Answer.

NOW, THEREFORE, in consideration of the terms and covenants of this Settlement Agreement including those set forth in the Recitals, the Parties hereto agree as follows:

### A. PROJECTS

Mr. GHOLAMI shall continue the remediation of the 440 Hearn Avenue Facility *to the satisfaction of the applicable regulatory oversight agencies.*

## B. NO WAIVER

Nothing contained herein shall be construed as waiving any rights or defenses which Mr. GHOLAMI has or may have, or as creating any rights, claims or causes of action in favor of RIVER WATCH. By execution of this Settlement Agreement, Mr. GHOLAMI does not waive his rights to contest any agency actions and shall retain any and all rights to seek recovery of costs and/or contribution for costs incurred in the performance of investigation and remediation, or otherwise bring an action against alleged responsible parties with respect to the investigation and remediation of the Facility.

## C. NO ADMISSION

By execution of this Settlement Agreement, the Parties do not admit any facts or conclusions of law, including, but not limited to, any facts or conclusions of law regarding any violation of RCRA or any other statutory, regulatory, common law or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law; nor shall compliance with the Settlement Agreement constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law. Nothing contained in this Settlement Agreement shall constitute or be construed, considered, offered or admitted, in whole or in part, as evidence of an admission or evidence of fault, wrongdoing, liability or violation conduct by Mr. GHOLAMI in any administrative or judicial proceeding or litigation in any court, agency or other forum whatsoever. Mr. GHOLAMI does not admit that RIVER WATCH has a right to any form of penalty, attorneys' fees or costs, projects in lieu of penalties, or any form of injunctive relief related to the causes of action alleged in the Notice.

## D. RELEASE

As of the Effective Date of this Settlement Agreement, RIVER WATCH hereby fully releases and forever discharges Mr. GHOLAMI from any and all known and unknown rights, claims, actions, damages, suits, penalties, liabilities, injunctive relief, declaratory relief, and fees, costs, and expenses (including without limitation RIVER WATCH's attorneys' fees, expert expenses, and litigation expenses) ("Claims") related to or arising out of the Claims, causes of action and alleged violations of law asserted or which could have asserted in the law suit filed June 6, 2006 against Mr. GHOLAMI (the "Released Claims").

### 1. Section 1542 of the Civil Code of the State of California Release

The Parties have been fully advised of the contents of Section 1542 of the Civil Code of the State of California. RIVER WATCH acknowledges that the Released Claims as defined in Section 6 above may include unknown Claims and waives Section 1542 as to any such unknown Claims. 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 or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.*

RIVER WATCH acknowledges and understands the significance and consequence of this specific waiver of Civil Code Section 1542.

## 2. Claims Covered

This Settlement Agreement is a final and binding resolution between RIVER WATCH and Mr. GHOLAMI for any and all claims arising out of or related to any alleged discharge or release of any gasoline, petroleum, petroleum product, hazardous substance, and/or waste, including but not limited to constituents, additives, oxygenates, byproducts, contaminants, impurities, and/or degradation products thereof, that have spilled, leaked or otherwise emanated at, on or from Mr. GHOLAMI's Facility, including without limitation, all claims with respect to the continued presence or migration of gasoline, petroleum, petroleum products, hazardous substance, and/or waste, and constituents, additives, oxygenates, byproducts, contaminants, impurities, and/or degradation products thereof, on, in or to the soil and/or ground water and/or the waters of the State. The claims include, but are not limited to, claims under RCRA, Proposition 65, California's Unfair Competition Act, and California Fish and Game Code § 5650 arising out of any alleged discharge or release of any gasoline, petroleum, petroleum product, hazardous substance, and/or waste that has spilled, leaked, or otherwise emanated from Mr. GHOLAMI's Facility, including, without limitation, all claims with respect to the continued presence and/or migration of gasoline, petroleum, petroleum products, hazardous substance, and/or waste, or constituents, additives, oxygenates, byproducts, contaminants, impurities, and/or degradation products thereof, on, in or to the soil and/or ground water and/or the waters of the state.

## E. SETTLEMENT PAYMENT

With the delivery of this Settlement Agreement by all Parties, Mr. GHOLAMI shall pay a total sum of \$5,000.00 for the remediation of surface and ground waters in other areas of Northern California, and for attorneys' fees and costs. The check shall be made payable to 'Northern California River Watch' and sent to the address of Jack Silver as set forth below. RIVER WATCH will supply Mr. GHOLAMI with its federal tax identification number for purposes of issuing the check under this Settlement Agreement.

With the delivery of the settlement amount to RIVER WATCH, River Watch agrees to file a dismissal with prejudice of all of its claims against Mr. GHOLAMI, and provide to Mr. GHOLAMI a copy of the Dismissal once it has been signed by the U.S. District Court Judge.

F. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any party hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties.

G. EFFECTIVE DATE

The "Effective Date" specified in this Settlement Agreement is the date the Settlement Agreement is executed by all Parties.

H. APPLICATION OF SETTLEMENT AGREEMENT

This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of the Parties, its successors and assigns. Neither Party may assign its interest in the Settlement Agreement.

For RIVER WATCH:

Jack Silver, Esquire  
Law Office of Jack Silver  
Post Office Box 5469  
Santa Rosa, CA 95402-5469  
Fax (707) 528-8675

For Mr. GHOLAMI, dba A & M MINI MART:

Michael M. GHOLAMI

I. EXECUTION IN COUNTERPARTS

This Settlement Agreement may be executed in counterparts, which taken together shall be deemed to constitute one and the same document.

Dated: 8-4-08

Northern California River Watch

By: James Doyle  
FOR Jack Silver, Esq.

Dated: 8-9-08

For Michael M. GHOLAMI, dba A & M Mini Mart

By: Michael Gholami  
Michael M. GHOLAMI