

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA  
THIRD JUDICIAL DISTRICT

STATE OF ALASKA, DEPARTMENT  
OF ENVIRONMENTAL CONSERVATION )

Plaintiff, )

vs. )

TESORO ALASKA PETROLEUM )  
COMPANY, PETRO PRODUCTS, INC. )  
and ROBERT E. SANDEN, indivi- )  
dually and d/b/a SANDEN FUEL )  
COMPANY, )

Defendants. )

Case No. 3AN-86-14457 Civil

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release is entered into on this 12<sup>th</sup> day of December, 1989, by and between the STATE OF ALASKA (hereinafter "State"), ROBERT E. SANDEN, individually and d/b/a SANDEN FUEL COMPANY (hereinafter "Sanden"), TESORO ALASKA PETROLEUM COMPANY (hereinafter "Tesoro"), PETRO PRODUCTS, INC. (hereinafter "Petro"), REX BAKER and ROD BAKER, individually and d/b/a ASPEN ENTERPRISES and ASPEN ENTERPRISES, INC. (hereinafter jointly "Aspen").

WHEREAS, the State has filed a civil action in the Superior Court for the State of Alaska at Anchorage that is captioned State of Alaska, Department of Environmental Conservation v. Tesoro Alaska Petroleum Company, Petro Products, Inc. and Robert

Sanden, d/b/a Sanden Fuel Company, 3AN-86-14457 Civil  
(hereinafter the "Lawsuit") and said action claims damages arising out of alleged contamination in and around the area of Peters Creek, Alaska; and

WHEREAS, Sanden has filed a claim in the Lawsuit against Aspen; and

WHEREAS, Tesoro, Petro and Sanden deny the allegations of the State's Complaint and Aspen denies the allegations of Sanden's third-party Complaint and all defendants deny any liability or wrongdoing in connection with the alleged contamination in and around the Peters Creek area; and

WHEREAS, all parties to the Lawsuit are desirous of resolving this dispute in order to avoid the additional expense and inconvenience of protracted litigation;

NOW, THEREFORE, the State, Tesoro, Petro and Aspen hereby agree as follows.

1. Sanden, Petro, Tesoro and Aspen shall pay the State the combined total sum of Six Hundred Thousand Dollars (\$600,000.00) after all parties have signed this Agreement and upon receipt of an executed Stipulation of Dismissal with Prejudice attached as Exhibit "A" to this Agreement.

2. The State shall accept such \$600,000.00 as a full and complete compromise and settlement of any and all claims the State may have, or may have in the future, against Sanden, Petro,

Tesoro and Aspen arising or in any way relating to the alleged contamination in the Peters Creek area that is the subject of the State's Lawsuit. This settlement shall include, but not be limited to, any action the State may have, or may have in the future, under any statutory law, regulation promulgated thereunder or the common law.

3. Pursuant to this agreement the State agrees to release and forever discharge Sanden, Petro, Tesoro and Aspen from any and all actions, causes of actions, liability, claims, demands, losses, damages, and penalties of any kind, known and unknown, which the State has or may have against Sanden, Petro, Tesoro and Aspen which have arisen or may arise out of any seepage of gasoline, diesel fuel or fuel oil that was emitted or otherwise originated from the Sanden Station from 1985 to the date of this Agreement.

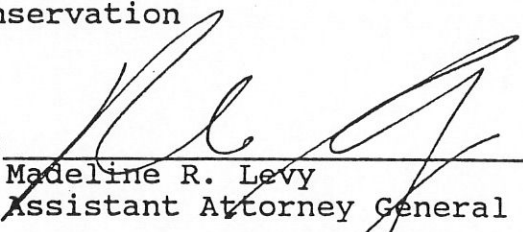
4. Pursuant to this Agreement Sanden, Petro, Tesoro and Aspen agree to dismiss, release and discharge any and all claims that each party brought, or could have brought, against one another in connection with the Lawsuit. Sanden, Petro, Tesoro and Aspen explicitly reserve, however, any and all claims they may have, or may have in the future, against or among each other outside the Lawsuit, including, but not limited to, any claims that have been or that will be brought in connection with the Sprague, et al. v. Tesoro, et al. action, 3AN-87-1988 Civ., presently pending in the Superior Court of the State of Alaska.

5. All parties agree that insofar as is allowed by State law, the terms of this Agreement shall remain confidential.

6. All parties agree that no party shall issue any press release or make any public announcement regarding any term or condition of this settlement.

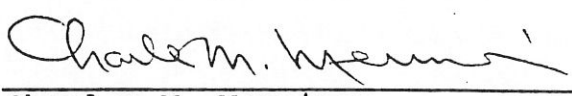
DOUGLAS F. BAILEY  
ATTORNEY GENERAL  
Attorneys for State of Alaska,  
Department of Environmental  
Conservation

DATED: 12/12/89

By:   
\_\_\_\_\_  
Madeline R. Levy  
Assistant Attorney General

PLETCHER, WEINIG, LOTTRIDGE & MOSER  
Attorneys for ROBERT E. SANDEN,  
individually and d/b/a SANDEN-FUEL  
COMPANY

DATED: 12/11/89

By:   
\_\_\_\_\_  
Charles M. Merriner

MODEROW & REICHLIN  
Attorneys for PETRO PRODUCTS, INC.

DATED: 12/4/89

By:   
\_\_\_\_\_  
Mark R. Moderow

RICHMOND & QUINN  
Attorneys for REX BAKER and ROD  
BAKER, Individually and d/b/a ASPEN  
ENTERPRISES and ASPEN ENTERPRISES,  
INC.

DATED: 12/11/89

By:   
\_\_\_\_\_  
Daniel T. Quinn

Okers Creek Tesoro

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ENVIRONMENTAL CONSERVATION  
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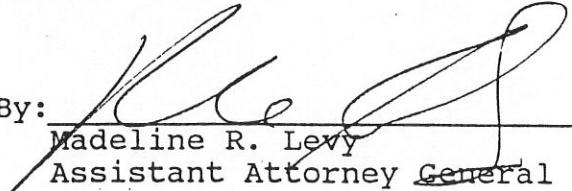
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STIPULATION TO DISMISS WITH PREJUDICE

Pursuant to Rule 41(a), Alaska Rules of Civil Procedure, the parties, by and through their attorneys, hereby stipulate that the above-captioned action shall be dismissed in its entirety with prejudice with each party bearing its own costs and attorneys' fees.

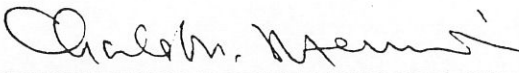
DOUGLAS B. BAILEY  
ATTORNEY GENERAL  
Attorneys for State of Alaska,  
Department of Environmental  
Conservation

DATED: 12/28/89

By:   
\_\_\_\_\_  
Madeline R. Levy  
Assistant Attorney General

PLETCHER, WEINIG, LOTTRIDGE & MOSER  
Attorneys for ROBERT E. SANDEN,  
individually and d/b/a SANDEN FUEL  
COMPANY

DATED: 12/1/89

By:   
Charles M. Merriner

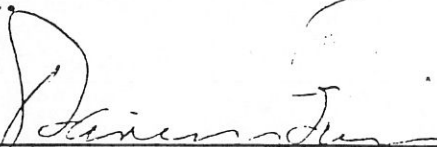
MODEROW & REICHLIN  
Attorneys for PETRO PRODUCTS, INC.

DATED: 12/4/89

By:   
Mark R. Moderow

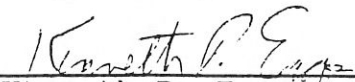
RICHMOND & QUINN  
Attorneys for REX BAKER and ROD  
BAKER, Individually and d/b/a ASPEN  
ENTERPRISES and ASPEN ENTERPRISES,  
INC.

DATED: 12/15/89

By:   
Daniel T. Quinn

GROH, EGGERS & PRICE  
Attorneys for TESORO ALASKA  
PETROLEUM COMPANY

DATED: 12/1/89

By:   
Kenneth P. Eggers