Good Neighbor Agreement

Shoreline Environmental Alliance
Crockett/Rodeo Coalition
Citizens for a Better Environment-California

and

Unocal Refinery of Rodeo
Contra Costa County
California

April 7, 1995

CBE-California•500 Howard Street Suite 305•San Francisco, CA 914105
415-243-8373 • email: cbesf@igc.apc.org
Good Neighbor Agreement

WHEREAS, the Union Oil Company of California dba Unocal (Unocal), owns a refinery located in Rodeo, California (Refinery). The Refinery, the Crockett/Rodeo Coalition, and Shoreline Environmental Alliance (SEA), as representatives of the local community, and Citizens for a Better Environment (CBE) desire a closer relationship and a more open dialogue;

WHEREAS, Tormey is a recognized part of Crockett and Bayo Vista is a recognized part of Rodeo for purposes of this Good Neighbor Agreement;

WHEREAS, Unocal, the Crockett/Rodeo Coalition, SEA, CBE (individually "Party" or collectively the "Parties" or "Signatories") and other members of the local community have met numerous times to discuss community concerns arising from the recent chemical releases at the Refinery;

WHEREAS, Unocal is committed to rebuilding trust and understanding between the Refinery and its neighbors;

WHEREAS, Unocal, the Crockett/Rodeo Coalition, SEA and CBE have previously entered into an "Agreement to Negotiate" and an "Extension to Agreement to Negotiate" in good faith;

WHEREAS, Unocal, the Crockett/Rodeo Coalition, SEA, and CBE or any of their successors or assigns agree to be bound by this Good Neighbor Agreement.

THEREFORE, as a result of this ongoing dialogue, and for valuable consideration, the receipt of which is hereby acknowledged, Unocal, the Crockett/Rodeo Coalition, SEA, and CBE have entered into this Good Neighbor Agreement (the Agreement).

Section I: Health Risk & Medical Monitoring

1) Unocal will continue to fund the independent health risk assessment conducted by Montgomery Watson and guided by the State and County Health Departments. Unocal also agrees to continue funding an independent risk assessment expert to participate in the health risk assessment as a representative of the community. Unocal will release the final report describing the results of the health risk assessment. The current expected date of completion is March 1995.
2) Unocal will fund and agrees to cooperate in good faith toward the establishment and operation of a medical clinic for the diagnosis and treatment of people affected by the Unocal Calcarb release (Incident). The clinic will be managed by an oversight committee (Clinic Committee) consisting of a representative of the community to be named by the Crockett/Rodeo Coalition and SEA, a physician or staff member representing the operator of the clinic (to join the Clinic Committee after selection of the clinic operator), a University-affiliated independent physician selected by Unocal, a Unocal representative, and a local community physician (who practices in Contra Costa, Alameda, Marin, Solano, or Yolo Counties) selected by the Crockett/Rodeo Coalition and SEA and approved by Unocal. The Crockett/Rodeo Coalition and SEA will propose a list with a minimum of three candidates for the local community physician position, and Unocal will select one of the candidates to serve on the Clinic Committee. The Clinic Committee will oversee and approve all matters concerning the clinic, including but not limited to: selection of the clinic operator, quality assurance/quality control for the clinic's operations, and treatment protocols.

Dr. James Cone, of the California Department of Health and Human Services, shall participate in all discussions concerning the selection of the clinic operator, and shall act as a mediator (without vote). Should discussion over the clinic operator become deadlocked and remain deadlocked on December 31, 1994, selection of the clinic operator will be submitted to the citizens of Rodeo and Crockett on a mail-in/drop-off ballot. Votes on mail-in/drop-off ballots will be tabulated by the League of Women Voters.

Unocal agrees to pay reasonable clinic overhead costs for a period of up to six (6) months, as approved by the Clinic Committee. Overhead costs may include rent, office supplies, utilities, and staff salaries with the exception of physician fees. Unocal agrees to pay clinic overhead costs up to $120,000 total, recognizing that monthly costs may be higher during initial establishment of the clinic. At the end of the six month period, the Clinic Committee will evaluate the need for continued clinic operations, or will institute a plan for orderly clinic shut-down and referral, consistent with patient care.

Unocal will pay for the assessment, including physician fees and laboratory tests, of any individual who wishes to be evaluated at the clinic and believes he or she was affected by the incident. (The Medical Clinic described is being provided in addition to other programs or arrangements which Unocal has adopted or may adopt in the future for the reimbursement of individual's medical expenses.) Medical treatment, including treatment beyond the six month period described above, will be funded by Unocal when the Clinic Committee agrees that the patient's medical condition has been shown to be related or most
probably related to the Incident. Neither Unocal nor the patient waives any right to challenge the correctness of the diagnosis, the appropriateness of the course of medical treatment, or the relationship between the condition and the Incident in any proceeding.

The Clinic Committee and the clinic operator will expeditiously prepare an agreement governing clinic operations to provide details for such things as billing, payment timing, audit, liability/indemnity/insurance and the like. In the event of a deadlock among the Clinic Committee as to the terms of this agreement, Dr. James Cone will cast the deciding vote.

Unocal and the other Signatories shall be provided clinical data, absent patient identifiers, on a weekly basis.

3) In the event of a major chemical release from the Refinery, Unocal agrees to work with the Contra Costa County Health Department to provide early medical intervention for affected residents of the local communities. A plan will be prepared by Unocal explaining how it will work with the County to provide early medical intervention. The Unocal Community Advisory Panel (CAP) and the other Signatories will be provided with the opportunity to review and comment on the plan. Unocal agrees to include County staff in training provided as part of clinic operations, to enhance Emergency Response Van preparedness.

4) Unocal will contribute up to $238,000 to conduct an epidemiological study of the health impacts of the recent chemical release on the affected members of the community. Dr. Rosemarie Bowler will serve as principal investigator for the study.

5) Unocal will participate with Contra Costa County as required by Condition #34 in the Land Use Permit associated with Unocal's Reformulated Gasoline Project (Land Use Permit) in funding an Emergency Response Van. Unocal has agreed to donate up to $20,000 to assist in equipping the van. The van, which will be operated by the County, will be used to respond to chemical emergencies with mobile, onsite medical services.

Section II: Emergency Response & Community Warning

1) Unocal will fund a database of health effect information for chemicals used or generated at the Refinery. The database will contain information regarding potential health effects, and recommended evaluation and treatment measures.
The database will provide access to information for emergency rooms, health care providers, pharmacies and local fire departments during potential emergencies, and will also be made available to community groups, local libraries, and schools. The database will include a list of the intended recipients of this health effects information. This database will be completed by March 1, 1995.

2) Unocal will participate in a working group to develop a feasible community-based information and notification system that will meet the community's needs and will be implemented and funded by Unocal. The system will provide information about unusual events and other items of interest that occur at the refinery and will be integrated with the Contra Costa County's Community Warning System (CWS) to the extent possible. The working group will include representatives from the local fire departments, a designated representative from the John Swett Unified School District, the members of the Crockett/Rodeo Coalition's Emergency Response and Community Warning Committee (including Hal Hablinski, David Hicks, Douglas Tubb, Ed Murray, Joe Hill and Karen Hall), a Contra Costa County Community Awareness and Emergency Response (CAER) representative, and Unocal representatives. It is the goal of this group to develop a system design by July 1, 1995, and to complete installation of the system by December 31, 1995.

3) Unocal will fund the purchase and installation of a siren as part of the CWS in Crockett that can be heard in all parts of Crockett. A siren is to be installed in Rodeo by CAER as part of the CWS.

Section III: Vegetation & Parks

1) Unocal will plant vegetation on the land between the refinery and the northern edge of Rodeo as required in Land Use Permit Condition #62. Unocal will also spend an additional $30,000 per year for nine years to further vegetate appropriate areas of its property, to begin after completion of the landscaping required by Permit Condition #62. No salaries for Unocal administrative employees will be deducted from the $30,000 per year funding. A detailed vegetation plan will be developed in accordance with the LUP, to address plant selection, the schedule for plant procurement and planting, watering, etc. Input on this plan will be requested from the California State Urban Forester for Northern California and the Unocal Community Advisory Panel (CAP). A preference for seedlings will be made over more mature trees at the request of the community.
While the property between the refinery and the northern edge of Rodeo is the priority area for vegetation, Unocal is not opposed to use of these funds, if feasible, to add vegetation to other areas of Unocal’s property, or for additional planting at Hillcrest School, if so requested by the CAP and John Swett Unified School District. The community has requested that Unocal fund such vegetation programs in an effort to mitigate PM10 and NOx.

2) Unocal will dedicate a portion of the existing security road at the northeastern boundary of the Refinery property as a dual-lane bike path. Unocal will commit up to $100,000 for the construction of the bike path through Unocal property. The bike path will be built according to East Bay Regional Park District standards. Ownership and liability conditions associated with the bike path will be discussed and decided between Unocal, the County, the East Bay Regional Park District and other persons potentially involved in these issues.

Unocal will work with community representatives, including the other Signatories or their designated representatives, Contra Costa County and the East Bay Regional Park District to facilitate a trail crossing of Interstate 80, if feasible, in the vicinity of the Cummings Skyway for bicycle, pedestrian and equestrian use.

3) Unocal will consider supporting efforts by the community of Crockett on local activities associated with The Lindsay Museum. Unocal will continue its previous level of support of the museum, and will contribute $5,000 for educational programs at schools in Rodeo and Crockett.

4) Unocal will make a one-time $5,000 donation to the Carquinez Strait Preservation Trust for use in developing the proposed Community Tree Management District. Unocal will also maintain its membership in the Carquinez Strait Preservation Trust and support the Trust in achieving its objectives.

Section IV: School Safety Issues

1) Unocal has installed a temporary monitoring station at the Hillcrest School to detect sulfur compounds. A permanent station will be installed by September 1, 1995 to detect sulfur compounds and hydrocarbons. The Bay Area Air Quality Management District (BAAQMD) will approve the siting of the station, selection of the instrumentation, and will routinely audit the operation of the site as required by Air District regulations. Hillcrest School administration will also approve the instrumentation and siting.
2) Unocal will continue to work with the school to provide education and training of teachers and students on how to respond to a chemical emergency, and will work with the School District to facilitate drills of appropriate evacuation procedures. Unocal will provide Hillcrest School with necessary equipment for shelter-in-place activities, as recommended by the assessment performed in paragraph (3) of this Section.

3) Unocal has contributed $378,000 to Hillcrest School to provide for weather stripping and other improvements to the school in accordance with Land Use Permit condition #74.

Unocal is committed to funding an assessment of school facilities in the boundaries of the John Swett Unified School District, including, but not limited to, Bayo Vista Child and Family Center, Inc. (Head Start, previously Tiny Tots), St. Patrick’s School and any Montessori School located in the John Swett School District, to identify the risks that the schools could reasonably be expected to be exposed to in the event of a chemical emergency. The assessment will be performed by an independent contractor with expertise including but not limited to Industrial Hygiene, mutually agreeable to the signatories to this agreement and the school district. Identification and selection of the contractor will begin within one month following issuance of the Land Use Permit. The assessment will include a physical inspection of each school facility, the identification of potential exposures from nearby industrial facilities, and a review of current evacuation procedures in cooperation with local emergency response agencies. The contractor’s report will be provided to the John Swett School Board, and the appropriate operator’s of the other schools listed above. It is agreed that the report will be a public document.

The contractor will recommend mitigation for identified risks. The mitigation of any risks identified as part of this assessment at Hillcrest School that are attributable to Unocal operations will be funded through the $378,000 previously contributed by Unocal. If the cost of mitigating risks at the Hillcrest School that are attributable to Unocal’s operations at the Refinery exceeds $378,000, Unocal will provide additional funds up to $122,000, for a total not to exceed $500,000 to perform appropriate mitigation.

Unocal will fund appropriate improvements, including but not limited to shelter-in-place, at all assessed schools to mitigate risks identified as attributable to the Refinery. Unocal will seek assistance from other local industries in conducting the assessment and in mitigating identified risks that are not associated with Unocal operations.
4) Unocal will continue working with Bayo Vista Child and Family Center, Inc. to address safety concerns at its Bayo Vista facility. Unocal will provide education and training of the facility's staff on how to respond to a chemical emergency.

5) Unocal will enter into discussions with the school district regarding a bus turnaround at Hillcrest School. Discussions will include access to property for the turnaround if required.

Section V: Vocational Training

1) Unocal will make a long term commitment to the Vocational Training Program at John Swett High School described in Attachment A. Funding for this program will total $100,000 annually and will be provided as described in Section VIII of this Agreement.

2) Unocal will announce new job opportunities at the Refinery in local newspapers as well as develop a program which is mutually agreeable to the signatories to notify local schools and community organizations of such opportunities. To the extent permitted by law, Unocal will give hiring preference to applicants from the Crockett, Rodeo and Tormey areas when all other hiring factors are determined to be equal. Unocal will hold at least one local interview session per hiring campaign.

3) Unocal will institute and fund a local hiring outreach program, and cooperate with representatives from the Contra Costa Building and Construction Trades Council and the local community. This program shall endeavor to increase the percentage of local workers hired for construction on the Reformulated Gasoline Project as well as other work at the Refinery. Unocal sets an outreach goal of hiring Project workers from the Rodeo-Crockett-Tormey area at a rate that significantly increases local area members above their current representation in the Contra Costa Building and Construction Trades Council. This program will be instituted within one month of the effective date of the Land Use Permit.

Section VI: Transportation

1) Unocal will mitigate potential traffic impacts from construction of the Reformulated Gasoline Project through the following measures:

a) Unocal will provide traffic control personnel at the Pomona Avenue/Interstate 80 eastbound onramp, and at the Willow
Avenue/Interstate 80 eastbound ramps intersection, to direct the flow of traffic during hours of peak congestion when necessary to maintain CalTrans Level of Service E (LOS E) conditions or better.

b) Unocal will stagger construction work schedules during daylight hours to reduce traffic congestion on local streets in Crockett and Rodeo.

c) Unocal will require contract workers to avoid Vista Del Rio and Vaqueros Avenue as bypass routes. Contract workers who do not comply with this requirement will be subject to warnings and possible termination. Unocal will support the local community in discussions with the County Public Works Department regarding traffic issues including, but not limited to, the placement of signs on Vista Del Rio and Vaqueros Avenue to restrict through traffic, and the use of a County radar trailer on Vista Del Rio and Vaqueros Avenue.

d) Unocal's security force will request and encourage surveillance of construction-related traffic from the California Highway Patrol on an ongoing basis, should traffic conditions on local streets in Crockett and Rodeo warrant.

e) Unocal will implement a Transportation Demand Management (TDM) program for contract workers in cooperation with the West Contra Costa County Transportation Coordinator. The program will seek to encourage ride-sharing and public transit use by construction workers.

f) Unocal will continue open dialogue with the community on refinery traffic impacts on Crockett and Rodeo on an ongoing basis. If local traffic conditions deteriorate below LOS E because of Refinery-related traffic, other mitigation measures such as ride sharing incentives and shuttle bus service to public transportation will be considered.

2) Unocal has agreed to contribute $4.5 million to Contra Costa County to be dedicated for improvements and/or upgrades to the local transportation infrastructure within one and one half (1 1/2) miles of the Refinery on routes of regional significance. The County will deposit the funds in an interest bearing account designated as the "Crockett/Rodeo Transportation Improvement Fund." Earned interest shall accrue to the benefit of the fund. Unocal shall work with County staff, Caltrans and the Crockett/Rodeo Coalition Transportation Committee to establish a process by which local community transportation improvement projects will be identified and prioritized according to community need and preference.
Unocal agrees that its primary intent in establishing this Fund is to facilitate and fund the Cummings Skyway Extension Project, the repair of Parker Avenue and other local infrastructure improvements (such as those described in Land Use Permit Conditions #47 through #53) in an accelerated time frame which maximizes potential benefits to Crockett and Rodeo. Unocal further agrees to and has already retained a private consultant for a period of at least one year to actively promote strategies which will meet that objective. Unocal's first priority for the Transportation Improvement Fund is the development of the Cummings Skyway Extension Project. If this proposed funding plan for the Cummings Skyway Extension Project falls short of that required for construction, Unocal will work with the community, County and Caltrans to fund the deficiency. Unocal commits to utilize the Cummings Extension, when completed, as its primary route for Refinery truck traffic, relieving Parker Avenue of that burden.

To the extent that the final Land Use Permit conditions conflict with this section of this Agreement, the Land Use Permit will govern.

3) Unocal has agreed to redesign its Reformulated Gasoline Project to avoid the use of anhydrous ammonia and will replace all bulk deliveries of anhydrous ammonia with aqueous ammonia at the Refinery by December 31, 2001. This phase out will result in a reduction of truck deliveries of anhydrous ammonia to the Refinery. By December 31, 1996, the use of anhydrous ammonia at the Steam Power Plant will be eliminated. This will result in an 80% reduction of anhydrous ammonia use at the Refinery and decrease the number of bulk truck deliveries by nine per year. By 2002 use of anhydrous ammonia at Units 200, 267, 228 and all bulk deliveries will be eliminated. Until then, truck deliveries of anhydrous ammonia will be scheduled to avoid peak morning and evening commute traffic periods. Unocal will evaluate the merit of utilizing vehicle escorts for truck shipments.

Section VII: Environmental Issues

1) Unocal commits to test and install an improved air pollution monitoring system that is mutually agreeable to the signatories of this agreement and the County as outlined below:

   a) Unocal and representatives designated by the signatories of this Agreement will design a monitoring test program that will include infra-red or other state-of-the-art remote sensing technology. The test program will be designed to determine (1) the effective range of the
monitoring instrument, (2) the compounds that the instrument is able to detect, (3) the accuracy of the instrument at different ranges for the detectable compounds; (4) the reliability of the monitoring instrument at different ranges and for detectable compounds; (5) the suitability of siting options, including the effect of localized environmental conditions (i.e. highways, fog, rain, wind, etc.); (6) identification of specialized operation and maintenance requirements; and (7) the best means of recording the data collected.

b) Unocal will order the test instrument as soon as practicable after the test program design is complete, but not later than March 31, 1995 or such date as determined by Unocal and the representatives designated by the Signatories. The availability of the selected test instrument will be communicated to the community representatives at the time of ordering.

c) Unocal will install the instrument within sixty (60) days of receipt of delivery.

d) The six-month test program will begin no later than August 1, 1995, subject to availability of the selected equipment. All data collected from the test instrument will be available to signatories to the agreement upon request and will be shared with the community at monthly public meetings.

e) Unocal will prepare an interim report on its test program by December 1, 1995 and provide a copy of the report to the signatories to this agreement and the County. Upon completion of the test period, Unocal will prepare a final report that will be provided to the signatories to this agreement and the County by April 1, 1996.

f) Unocal and the signatories to this Agreement will meet to finalize the design of the improved monitoring system as soon as practicable after the final report. The final design shall be submitted by Unocal to the County for approval, consistent with the LUP. The design shall identify (a) the location of the monitors, (b) the spacing of the monitors, (c) the compounds to be monitored, and (d) the method of recording, preserving and using the data collected by the monitoring system. Unocal will begin installation of the above system no later than July 1, 1996. All data will be available to the CAP, the Signatories, and the BAAQMD.

2) Unocal will fund an independent audit of the Refinery. The audit will cover the Refinery emergency response plan, emergency notification procedures, safety
management program, and the results of the Process Hazards Analyses performed as part of the Process Safety Management Program (as required under 8 CCR §5109(e)). An Audit Committee will be established to oversee the independent audit, which will be comprised of two representatives from the Crockett/Rodeo Coalition, one representing each community; one representative from the Shoreline Environmental Alliance; one representative from Citizens for a Better Environment; one representative from the CAP; and two representatives from Unocal, one management and one non-management employee. The Audit Committee shall be established by January 31, 1995. The role of the Audit Committee is to provide oversight of the independent auditor (described more fully below), review the results of the independent auditor's report, and discuss the recommendations contained in the final audit report with the Refinery. Unocal is responsible for operating the Refinery in a safe manner and therefore will be responsible for the implementation of any of the recommendations contained in the final audit report (including the decision concerning whether a recommendation should be implemented).

The Audit Committee shall be responsible for the following:

- Preparation of a schedule for the audit, which will begin no later than April 1, 1995 or such other date as determined by the Audit Committee.
- Further defining the focus of the audit within the scope defined by this agreement.
- Preparation of a request for proposal.
- Hiring and/or termination of the audit contractor. The contractor will be selected by the community representatives and must be approved by Unocal.
- Monitoring the progress of the audit, including site visits.
- Meeting with the audit contractor to discuss the facility and to review the auditor's reports.
- Meeting with Unocal management as needed.
- Reporting to the broader community on the results of the audit after discussion of the results with management.
- Reviewing the results of the audit including the findings and recommendations.

The contractor will prepare an audit protocol to be reviewed and approved by the Audit Committee and will conduct the audit in a timely manner. The contractor will conduct the audit in accordance with the final request for proposal, including any attachments thereto, as prepared by the Audit Committee. The contractor will have access to all information deemed necessary by the Audit Committee, including trade secret information upon
execution of a written confidentiality agreement. (As used herein, trade secrets shall have the same meaning as provided in the Emergency Planning and Community Right-to-Know Act (EPCRA), Section 11042.) Unocal will provide the audit contractor with access to employees in order to conduct confidential interviews on subjects that are within the scope of the audit, without the threat of termination or discrimination in any way for providing information.

If actions are required to address audit findings, Unocal also agrees to fund a follow-up audit by the same audit contractor to evaluate the effectiveness of said planned actions. The follow-up audit will be conducted in the same manner as defined in this Agreement for the initial independent audit described above.

3) The Refinery is scheduled to be audited on an annual basis. Unocal currently conducts two types of audits at its facilities: 1) on a biennial basis a health, environment and safety regulatory compliance audit is conducted by an independent contractor accountable to the President of 76 Products Company; and 2) in alternate years, Corporate experts conduct an audit of the Refinery’s safety management system, utilizing the International Safety Rating System (ISRS), a comprehensive auditing program recognized as an industry standard. The Corporate experts are certified and accredited through the ISRS.

Unocal agrees to provide a biennial one-day executive training session about the International Safety Rating System beginning in 1995; members of the Community Advisory Panel (CAP) and each Signatory or its designated representative, will be invited to attend at their own discretion.

As requested by the Signatories, Unocal suggested to the CAP, on more than one occasion, that representatives of the Crockett/Rodeo Coalition and SEA be added to the CAP as members. The CAP chose not to create an institutional seat for SEA as part of its present membership. In order to facilitate further cooperation with SEA, Unocal hereby agrees to the following.

(a) Unocal will transmit to a designated representative of the SEA, all written and verbal incident notifications and written materials provided to the CAP by Unocal. This provision specifically excludes any information relating to the ongoing auditing process described in this Section VII, Paragraph 3. In addition, if trade secret information is involved, such information will not be provided to the designated representative of SEA until a written secrecy agreement has been entered into and fully executed.
(b) Unocal will recommend to the CAP, that all minutes or other documents concerning decisions or recommendations made by the CAP, be provided to a designated representative of SEA.

Beginning in 1996, the CAP will have access to the above-described audit process and results thereof. In addition, Unocal will present results of the audits and follow-up action plans, if any, to the CAP and/or the community as may be requested by the CAP.

Beginning in 1996, the CAP will be provided the opportunity to provide written input to the President of 76 Products Company concerning Unocal's ongoing auditing program, including the following subject matters:

- Audit schedules.
- Audit scope.
- Audit contractor selection for the compliance audits.
- Final audit reports.
- Such other matters as the CAP deems appropriate.

4) The facilities in which hydrogen sulfide is produced and processed have been subjected to two Hazard and Operability Studies (HAZOP), one of which was part of the Risk Management and Prevention Plan (RMPP). Unocal will share the results of these studies with the community through the CAP upon request.

5) Unocal proposes the following steps to achieve onsite emission reductions for Volatile Organic Compounds (VOCs):

By April 30, 1995, begin monthly monitoring of valves and pumps, which are currently subject to quarterly monitoring by BAAQMD regulations. Results of leak testing will be made available to representatives of the CAP and to the BAAQMD. When feasible, valves or pumps that are repetitive leakers will be replaced or upgraded [by utilizing advanced packing or bellows valves (for valves two inches or smaller) and canned pumps or double seals for pumps]. Repetitive leakers are those pumps or valves that are found leaking more than two times in a one year period as defined by BAAQMD Regulation 8. For units in which there are no non-repairable valves (as defined by BAAQMD Regulation 8-18-304) or pumps (as defined by BAAQMD Regulation 8-25-304) monthly monitoring will not be required. When fugitive emissions are reduced to 2000 lbs/day (currently these emissions are 2787 lbs/day per BAAQMD source emission listing dated August 18, 1993), monthly monitoring may be discontinued. Unocal will maintain the level of reduction achieved during
monthly monitoring. This represents a 28 percent or 787 lb/day reduction (143 tons/yr.)

Reductions will be attained by implementing the following projects. If monthly monitoring identifies additional emission sources Unocal will conduct appropriate repairs and replacement until the above-stated goal is attained.

a) Replace 12 <2" valves at Unit 228 with bellows valves. Complete by 3/1/96, or by an earlier date as unit maintenance schedules allow.

b) Replace 40 valves at Unit 210 with bellows valves. Complete by 3/1/96, or by an earlier date as unit maintenance schedules allow.

c) Replace an additional 28 <2" valves leaking at 10,000 ppm. Complete by 3/1/96, or by an earlier date as unit maintenance schedules allow.

d) Install an additional 50 bellows valves (<2") by 12/31/96.

e) Install an additional 50 bellows valves (<2") by 12/31/98, or by an earlier date as unit maintenance schedules allow.

f) Reduce fugitive emissions on Unit 228 "zj" valves by nitrogen purging the valve stuffing boxes to vapor recovery for 25 specialized control valves. This conversion will be completed by 2/28/95.

g) Modify/replace seven pumps. Replace two pumps at Unit 215 with canned pumps; convert one pump at Unit 220 with a double seal; replace two pumps at Unit 228 with canned pumps; replace two pumps at Unit 240, one with a canned pump and convert the other to double seals. Completion by 12/31/96, or by an earlier date as unit maintenance schedules allow.

h) Unocal will not seek emission reduction credits for any of the air pollution reductions in this agreement.

i) Unocal purchases of emission reduction credits for offsets associated with the Reformulated Gasoline Project will be from sources as close to the local area as are available.
Section VIII: Financial Issues

1) Unocal agrees to increase the contribution required by Land Use Permit condition #67 to $300,000 annually for a period of 15 years, commencing in January 1995. This provision is intended to substitute for Land Use Permit condition #67. If the Board of Supervisors is unwilling to remove condition #67 from the permit, Unocal's obligation under this section to the community of Rodeo, as described below, will be reduced accordingly by $50,000 in 1995 and 1996, so that Unocal's total donation to the communities equals $300,000 annually, in total. Management and distribution of these funds is described in paragraphs two (2) through six (6) below.

2) The communities agree to designate the use of a portion of the $300,000 provided by Unocal pursuant to this section as follows:

a) In accordance with Section V paragraph (1), $100,000 shall be allocated annually to the John Swett School District to support the vocational training program. Unocal shall make the first payment within 30 days of the effective date of this Agreement. Thereafter, Unocal shall make the annual payments on or before April 1, in each successive year.

b) $100,000 shall be allocated annually for use by the Rodeo/Bayo Vista community and $100,000 shall be allocated annually for use by the Crockett/Tormey community. Those funds will be used in accordance with this Section VIII, and will be distributed in accordance with Section IX.

c) If requested by Tormey, the cost of application to annex Tormey into the County Service Area P-1 will be paid from the funds allocated for use by Crockett/Tormey.

3) Any funds that are not awarded or dispersed by the receiving community within a calendar year are to be carried over to the following year. Retention of funds over a period of a year or years for the purpose of accumulating funds for larger projects is recognized as an appropriate means of managing the funds.

4) Funds paid by Unocal to the community in accordance with this Section VIII, (hereinafter referred to as the "Community Funds") may be used for appropriate projects of general benefit to the community, subject to compliance with all applicable legal requirements. Categories of projects funded by the Community Funds may include, but not be limited to, the following (i) environmental, including the funding of the proposed Community Tree Management District...
and/or monitoring of compliance by Unocal with contractual obligations in the implementation of this Agreement; (ii) recreational, including expansion or improvement of recreational facilities or programs, including staff salaries, in the community; (iii) economic development, including funding for redevelopment and other projects to enhance the community's economic vitality; (iv) community infrastructure projects; (v) community services, such as support for expanded library service; (vi) community functions described in this Agreement and defense of actions brought against the community that are unrelated to this Agreement; and (vii) such other uses as may be described in this Section VIII. Expenditures from the Community Funds shall not be authorized for funding any future administrative challenges or litigation activities against Unocal, except as to non-litigation activities concerning the other Parties' compliance with this Agreement under the provisions set forth in Section X.

5) No salary shall be paid from these funds to individuals charged with the administration or oversight of the funds. Reasonable charges by the financial institution at which the funds are deposited may be paid with these funds.

6) At the conclusion of the fifteen year period, in January, 2009, Unocal agrees to negotiate regarding the continuation of these payments by Unocal for an additional 15 years.

7) Unocal shall actively support the Crockett/Rodeo community in obtaining an equitable and shared distribution of the property tax increment resulting from Unocal's Reformulated Gasoline Project.

Section IX: Oversight of the Good Neighbor Agreement

The Crockett/Rodeo Coalition and SEA, both open to interested citizens of both communities, shall within six (6) months of the effective date of this Agreement, develop a process for distribution of funds (including the time for payment of the funds by Unocal) to the satisfaction of each community, individually, in consultation with Unocal.

The Crockett/Rodeo Coalition, in cooperation with the other Signatories, shall also oversee the fulfillment of the Good Neighbor Agreement. In order to assist the Crockett/Rodeo Coalition in this effort, Unocal shall submit a summary to the CAP, on a quarterly basis, with a copy to the Signatories hereto, reporting progress on implementation of this Agreement. The first summary will be provided by May 1, 1995. Each subsequent summary will be provided every three months thereafter.
Section X: Legal Issues

1) Any dispute arising under this Agreement shall be governed according to the terms described immediately below.

   a) If any Party to this Agreement believes there is a dispute as to another Party's performance or the interpretation of this Agreement, such Party shall immediately notify all other Parties to this agreement, or their successors.

   b) After notice of the dispute has been given, all Parties involved in the dispute will enter into good faith discussions to resolve the issues believed to be in dispute by any Party.

   c) If agreement cannot be reached between the Parties as to the alleged dispute of this Agreement following the good faith discussions pursuant to subparagraph (b), the Parties hereby agree to submit their dispute for mediation by a qualified person agreed to by the Parties. Unocal shall pay one half of the costs, if any, of retaining such qualified person and the remaining disputing Parties shall share and pay equally the other half of said costs.

   d) The party alleging the dispute may bring an action in any court of competent jurisdiction. It being expressly understood that prior to bringing any action in a court of competent jurisdiction, the alleging Party must exhaust the provisions of subparagraphs (a) through (c) above.

   e) No Party shall be liable in monetary damages for any breach of this Agreement. The sole remedy for any breach shall be an action for specific performance, and/or injunctive or declaratory relief to enforce the Agreement. No payment of attorney's fees shall be allowed pursuant to court order.

   f) Notwithstanding subparagraphs (a) through (e), the Signatories do not waive any rights of appeal or relief otherwise provided through the LUP.

   g) Notwithstanding subparagraphs (a) through (f), it is expressly understood by all of the Signatories that Unocal must comply with its Land Use Permit. Therefore, the implementation of subparagraphs (a) through (e), individually or collectively, cannot result in Unocal being in noncompliance with any law, regulation, ordinance or permit condition.
2) Notwithstanding subparagraph 1(o) above, if a final determination is made pursuant to paragraph 1 above that funds have been expended for an improper purpose as specified in Section VIII, paragraphs (4) or (5), Unocal shall be entitled to withhold future payments to the entity which has made the improper expenditure in an amount equal to the improper expenditure.

3) The SEA shall not pursue their appeal of Unocal's Land Use Permit #2038-93 and associated Environmental Impact Report, and agrees that the permit, if modified to incorporate this Agreement and amended to be in accord with this Agreement, will not be challenged if it is made effective by the Contra Costa County Board of Supervisors.

4) SEA, Citizens for a Better Environment, and any other community representatives or organizations signing this Agreement will refrain from appealing or otherwise opposing Unocal's current application for Land Use Permit #2038-93, for the Reformulated Gasoline Project before the Planning Commission, the Board of Supervisors of Contra Costa County, or the Authority to Construct and Permit to Operate issued by the Bay Area Air Quality Management District, any other authorized permitting agency, or any court of competent jurisdiction, except as provided in paragraph (1) of this Section X.

5) Signatories to the Agreement retain the right to challenge any future change in Land Use Permit #2038-93 associated with Unocal's Reformulated Gasoline Project not consistent with this Agreement.

6) If any portion of the Good Neighbor Agreement is deemed invalid, the other portions shall remain in effect; if any portion is breached or declared illegal, the other portions shall remain enforceable and legal, except as specifically described herein.

7) This Agreement shall not be assigned or transferred in whole or in part, voluntarily or involuntarily by any of the Parties without the prior written consent of the other Parties, except (a) to any affiliate or successor of the assigning or transferring Party or (b) to a surviving corporation by merger or consolidation into which a Party may transfer all or substantially all of its assets on the express condition that the affiliates, successors, or surviving corporation shall agree in writing to assume all of the obligations hereof. Consent to assignment is not to be unreasonably withheld by the other Parties.
8) The Signatories hereto acknowledge that individuals in addition to themselves will be representing the respective Signatories in the implementation of this Agreement. In order to facilitate the implementation of this Agreement and ensure the participation of the appropriate designated individuals, the Parties agree that only those individuals identified in Attachment B, can act in an official capacity as a designated representative of a Signatory. The Parties further understand and agree that the individuals identified in Attachment B, may be replaced from time to time. Such replacement will be effective when the original Party notifies all other Parties, in writing.

9) Any written notices required to be given hereunder by any Party shall be sufficiently given either (1) by personal delivery; (2) when deposited by certified mail, postage prepaid, addressed to the other Parties as indicated below, or to such other address or person as any Party may from time to time designate by written notice to the other Parties; or (3) by fax, with telephone confirmation of receipt.

If to CROCKETT/RODEO COALITION:

Alicia Anderson
Crockett/Rodeo Coalition
3735 Mt. Diablo Blvd., #215
Lafayette, California 94549

Lynn Cherry
Crockett/Rodeo Coalition
935 Elm Drive
Rodeo, California 94572

If to SHORELINE ENVIRONMENTAL ALLIANCE:

Ruth Blakeney
Shoreline Environmental Alliance
P. O. Box 214
Crockett, California 94525
If to CITIZENS FOR A BETTER ENVIRONMENT:

Denny Larson
Citizens for a Better Environment - California
500 Howard Street, #506
San Francisco, California 94105

If to UNOCAL:

Allen C. Randle
Acting General Manager
Unocal - San Francisco Refinery
1360 San Pablo Avenue
Rodeo, California 94572-1299

with a copy to:

Mark A. Smith, Senior Counsel
Unocal - Law Department
1201 W. Fifth Street, Suite 1134
Los Angeles, California 90017
GOOD NEIGHBOR AGREEMENT

JOHN SWETT UNIFIED SCHOOL DISTRICT

Office of the Superintendent

Proposal: Establishment of a Technology Certificate Program

Currently, the vocational training opportunities are very limited in the John Swett Unified School District. As a result of recent donations from Wickland Oil, Energy National and with support from the General Fund, the District has been able to establish "state of the art" computer labs at both Carquinez Middle School and John Swett High School. UNOCAL support would be of great assistance. We propose the following:

- Establishment of a Technology Certificate Program. This program would provide opportunity for students to enroll in a six to eight course sequence in computer use, programming and repair. These content courses would prepare students for entry level employment opportunities or advanced placement in the community college system.

- In partnership with UNOCAL, we would establish a business / vocational advisory group that includes representatives from industry and John Swett Unified. This advisory group would ensure that this program was planned and based on industry's needs and expectations. Mentors from local industry could also provide opportunities for job exploration.

- Planning and integration of a Technology Certificate Program with the Contra Costa Community College system. This program could equip our students to have advanced placement in technology courses in the college system.

Summary: This proposed program would result in many positive outcomes. These outcomes include vocational training that is based on expectations and standards from industry, an opportunity for UNOCAL to provide leadership to the community, and most important, more opportunities for the students of the John Swett Unified School District.