

**PUENTE VALLEY OPERABLE UNIT CASH-OUT
SETTLEMENT AGREEMENT**

This Settlement Agreement is made and entered into as of the Effective Date by and between TRW Inc. and RREEF West-VI, Inc. ("RREEF") (each a "Party" and collectively the "Parties").

RECITALS

WHEREAS, the United States Environmental Protection Agency has issued general notice letters to persons and entities, including the Parties, deemed by EPA to be potentially responsible parties ("PRPs"), based on their association (ownership, operation or both) with certain specified facilities, regarding the alleged presence of volatile organic compounds ("VOCs") in groundwater at the Puente Valley Operable Unit;

WHEREAS, on September 28, 2000, EPA issued Special Notice letters to certain PVOU PRPs. RREEF did not receive such Special Notice letter;

WHEREAS, claims and demands against the Parties have been made and are expected to be made by EPA, the State of California, Water Companies, and other PRPs concerning Covered Matters as defined herein, including, without limitation, reimbursement of alleged past and future response costs regarding the PVOU and implementation of the Interim Remedy as defined herein;

WHEREAS, TRW, RREEF and numerous other PRPs in the PVOU entered into a Mediation Agreement effective May 20, 1999, and thereafter exchanged information and conducted several mediation sessions pursuant to the terms and conditions of the Mediation Agreement;

WHEREAS, in the course of such mediation efforts pursuant to the Mediation Agreement and subsequent negotiations between TRW and RREEF, TRW agreed to enter into a cash-out settlement with RREEF resolving RREEF's Claims and Liabilities for Covered Matters and providing certain indemnifications in return for a cash payment made to TRW;

WHEREAS, this Agreement embodies the terms and understandings reached between TRW and RREEF by which they will finally and conclusively resolve their own Claims and Liabilities as between each other and between and among themselves and all other Settling Parties, and all Claims and Liabilities between TRW, RREEF, other Settling Parties and EPA and the Water Companies with regard to Covered Matters;

WHEREAS, the Parties have determined that this Agreement is fair, practicable and in their mutual interests;

NOW, THEREFORE, in consideration of the covenants, promises, and releases set forth below, the Settlement Amount to be paid by RREEF, and without the admission or adjudication of any liability or any issue of fact or law, except as specified herein, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Unless otherwise expressly provided herein, terms used in this Agreement that are defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 et seq. ("CERCLA"), or in the National Contingency Plan ("NCP") promulgated pursuant to CERCLA, shall have the meanings assigned to them in CERCLA or the NCP. Whenever the capitalized terms listed below are used in this Agreement, the following definitions shall apply:

Section 1.1 "AOC" shall mean the Administrative Order on Consent, U.S. EPA Docket No. 93-26, dated September 30, 1993, in which then-participating PRPs in the Puente Valley Steering Committee ("PVSC") agreed with EPA to perform the Remedial Investigation and Feasibility Study for the Interim Remedy ("RI/FS").

Section 1.2 "Agreement" shall mean this Puente Valley Operable Unit Cash-Out Settlement Agreement, including without limitation its various exhibits.

Section 1.3 "Claims and Liabilities" shall mean any and all claims, whether asserted or unasserted (including, without limitation, all contribution claims in litigation or arbitration), losses, demands, causes of action, obligations, direct damages, injuries, liens, costs (including, without limitation, Government Response Costs and legal or enforcement costs), expenses, fees and liabilities, whether contractual, statutory, equitable or under common law, whether known or unknown, whether accrued or unaccrued.

Section 1.4 "COI" shall mean the City of Industry, California.

Section 1.5 A "Comparable Settlement Agreement" is an agreement containing releases, assumptions of liability and indemnifications with respect to Claims and Liabilities for Covered Matters comparable to the terms of this Agreement that TRW may enter into with another PVOU PRP or PRPs. A Comparable Settlement Agreement may contain releases, assumptions of liability, and indemnifications that are limited to the Interim Remedy and Water Company costs. In such Comparable Settlement Agreements, the PVOU PRP or PRPs settling with TRW may be "Cash-Out Parties" similar to RREEF in this Agreement; or they may be parties who agree to share some or all of TRW's obligations to resolve Claims and Liabilities for Covered Matters ("Working Parties").

Section 1.6 "Consent Decree or Other Agreements" shall mean any consent decree or other agreements which may be entered into by TRW with some or all of the Governments, Water Companies, COI, and/or other PRPs, in connection with any Covered Matters, including, without limitation, reimbursement of any Government Response Costs or implementation of the Interim Remedy.

Section 1.7 "Covered Matters" shall have the meaning set forth in Section 3.2.

Section 1.8 "Effective Date" shall mean the date upon which the Agreement has been fully executed by the Parties.

Section 1.9 "EPA" shall mean the United States Environmental Protection Agency and the United States when acting on behalf of EPA.

Section 1.10 "Final Remedy" shall mean Measures, as defined in Section 1.14 below, beyond those required by the September 30, 1998 ROD or any amendments thereto, which ROD

and amendments are related to performance of the Interim Remedy, including without limitation, any Measures directed at remediation of contaminated groundwater in the "deep zone" beneath the "intermediate zone" as defined in the ROD.

Section 1.11 "Government Response Costs" shall mean EPA, United States Department of Justice, and State past and future response costs, oversight costs and enforcement costs, to the extent such costs are related specifically to the Interim or Final Remedy or the RI/FS for the PVOU or are basin-wide response costs for the San Gabriel Valley National Priorities List Site allocable to the PVOU, other than costs of response to perform response actions at operable units other than the PVOU, plus all interest thereon.

Section 1.12 "Governments" shall mean the United States and the State.

Section 1.13 "RREEF Parties" shall mean RREEF Management Co., a Delaware corporation, RREEF America LLC, a Delaware limited liability company, RREEF Management LLC, a Delaware limited liability company, RROMEO Management Company, a California corporation, RROMEO America LLC, a Delaware limited liability company, The RREEF Corporation, a California corporation, RREEF America Partners L.P., a California limited partnership, RREEF America Partners, a California partnership, RREEF West-VI, Inc., a Delaware Corporation, and RREEF West VI, a California group trust, and their respective officers, directors, agents, partners, members, shareholders, beneficiaries and employees, provided, however, that if any PVOU PRP with liability or potential liability arising out of environmental contamination at any property in the PVOU other than the RREEF property located at 17475 Gale Avenue, City of Industry (the "RREEF Former Facility"), is or becomes a partner, member or shareholder of any of the companies or partnerships listed in this section, the

effect of such party's being or becoming a "RREEF Party" shall be limited solely to liabilities, including without limitation Claims and Liabilities for Covered Matters, that arise out of or are based on environmental contamination originating on or migrating from the RREEF Former Facility.

Section 1.14 "Interim Remedy" shall mean all response activities, plans, designs, investigations, monitoring, capital improvements, investments (including, without limitation, property acquisition), agreements, payments and other measures (collectively "Measures") called for by the September 30, 1998 ROD and/or required to achieve the performance standards and objectives of the ROD, regardless of whether some or all of such Measures may later be: incorporated into or declared part of a subsequent interim or final remedy; described in an Explanation of Significant Difference ("ESD"); or, further mandated in any and all amendments to the ROD; and including a 50-year period for operation and maintenance, but not including any Measures specifically directed at: (1) remediation of contaminated groundwater in the "deep zone" beneath the "intermediate zone" as defined in the ROD; or (2) removal or remediation of any contaminants from any groundwater other than (a) the "chemicals of potential concern" listed on Table 1 of the September 30, 1998 ROD, attached hereto as Exhibit A and any hazardous substances that are derived from the actions taken to implement the ROD or that originated from the physical, chemical or biological degradation of the "chemicals of potential concern" in groundwater in the PVOU ("Covered Chemicals"), (b) total dissolved solids ("TDS"); and (c) nitrates.

Section 1.15 "Mediation Agreement" shall mean the Mediation and Joint Defense Terms and Conditions, effective May 20, 1999, as amended as of the Effective Date.

Section 1.16 "PVOU" shall mean the Puente Valley Operable Unit.

Section 1.17 "PVSC" shall mean the individual and collective members of the Puente Valley Steering Committee, as established by the Puente Valley Operable Unit PRP Organization Agreement, effective July 15, 1993, and amended from time to time (the "PVOU PRP Agreement").

Section 1.18 "PVOU PRP" shall mean any person, company or other legal entity that is or may be a "potentially responsible party" as defined in CERCLA with respect to alleged environmental contamination in or migrating from the PVOU and any Governmental Response Costs relating to such alleged contamination.

Section 1.19 "ROD" shall mean the Puente Valley Operable Unit Record of Decision, dated September 30, 1998.

Section 1.20 "Settling Parties" shall include TRW, RREEF, ITT Industries, Inc. ("IIN") and any other party that has entered or in the future enters into a Comparable Settlement Agreement. Settling Parties shall include both Cash-out Parties and Working Parties.

Section 1.21 "State" shall mean the State of California, its departments, agencies and instrumentalities.

Section 1.22 "United States" shall mean the United States of America, its departments, agencies and instrumentalities.

Section 1.23 "Water Companies" shall mean the San Gabriel Valley Water Company and Suburban Water Systems.

Section 1.24 "Water Company Costs" shall mean costs incurred by the Water Companies in the past or future to engineer, design, install and operate treatment systems to remove or remediate Covered Chemicals originating in the PVOU; costs of providing alternative water supplies to the extent arising out of the presence of such Covered Chemicals in groundwater in the PVOU; and related costs for investigation, sampling, analysis, and reporting concerning such Covered Chemicals.

ARTICLE II

OBLIGATIONS OF THE PARTIES

Section 2.1 Settlement Amount

Within 30 calendar days following the Effective Date, RREEF shall pay into the trust fund to be established by TRW ("Settlement Fund") the amount of \$210,000 by wire transfer, corporate check or cashier's check in immediately available funds ("Settlement Amount").

TRW shall make good faith efforts to cause the Settlement Fund to be qualified as a "Qualified Settlement Fund" ("QSF") within the meaning of Internal Revenue Code § 468B.

Notwithstanding the foregoing, TRW makes no representation or warranty regarding the Settlement Fund's establishment or qualification as a QSF, or regarding the tax treatment of RREEF's payment of the Settlement Amount. Unless and until the Settlement Fund is qualified as a QSF, TRW will, to the extent reasonably practical, and consistent with TRW's similar commitment to other PVOU PRPs with which it has reached or may reach Comparable Settlement Agreements, expend the funds contributed by RREEF to resolve Claims and Liabilities for Covered Matters prior to expenditure of other funds for such purposes.

Section 2.2 Consent Decree or Other Agreements

(a) RREEF shall cooperate with TRW to the extent reasonable and practical to provide information, signatures and other reasonably necessary assistance to TRW to assist TRW in its efforts to negotiate a Consent Decree or Other Agreements with the Governments and the Water Companies to govern: (1) implementation of the Interim Remedy; (2) settlement of all Claims and Liabilities for Government Response Costs; and (3) settlement of all Claims and Liabilities for Water Company Costs.

(b) TRW shall make good faith efforts to negotiate a Consent Decree or Other Agreements with the Governments and the Water Companies regarding Covered Matters that: (1) will include (A) releases from Claims and Liabilities for Covered Matters for the RREEF Parties to the fullest extent possible and at least equivalent to any releases obtained for TRW; (B) with respect to any Consent Decree or Other Agreements with any Governments, contribution protection for the RREEF Parties pursuant to 42 U.S.C. §§ 9613(f)(2), 9622(c)(1), and 9622(g)(5) and/or applicable state laws, to the fullest extent possible and at least equivalent to any contribution protection obtained for TRW; and (C) with respect to any Consent Decree or Other Agreements with the Water Companies, a final, non-appealable order from a federal or state court of competent jurisdiction, that determines such agreement(s) to be a good faith settlement and/or that bars indemnity and contribution claims against TRW and against the RREEF Parties with respect to Claims and Liabilities for Water Company Costs whether pursuant to CERCLA, federal common law, or California Code of Civil Procedure §§ 877, 877.6 (a "Good Faith Determination"); and (2) shall not impose any obligations on the RREEF Parties to perform or fund the Interim or Final Remedy or to pay any Government Response Costs or Water Company Costs. At the request of TRW, and in order to realize the objectives of this

Section, RREEF will timely sign any Consent Decree or Other Agreements the terms of which are consistent with this Section.

(c) In the event TRW negotiates Comparable Settlement Agreements with other PVOU PRPs, TRW shall make good faith efforts to obtain releases of the RREEF Parties and covenants not to sue the RREEF Parties to the fullest extent possible for any Claims and Liabilities, for Covered Matters and Claims and Liabilities arising out of costs for environmental investigations or remediation incurred by those PVOU PRPs to address soil, soil vapor or groundwater contamination on their individual facilities or migrating from their individual facilities.

(d) In the event that, in the course of settlement negotiations with the Water Companies, TRW is offered the opportunity to obtain releases from Claims and Liabilities other than Claims and Liabilities for Covered Matters (including, without limitation, Excluded Matters as defined in Section 3.3 hereof), and TRW elects to obtain such broader releases from Claims and Liabilities for its own behalf, TRW shall inform RREEF of the potential availability of such broader releases and shall afford RREEF the opportunity to negotiate for such broader releases; provided, however, that TRW shall have no obligation to seek any releases from the Water Companies other than Claims and Liabilities for Covered Matters

Section 2.3 Assumption of Liability

In consideration of RREEF's payment of the Settlement Amount in accordance with Section 2.1, above, and subject to RREEF's obligations of cooperation specified in Sections 2.2(a) and 2.7 of this Agreement, TRW agrees to assume all Claims and Liabilities for Covered Matters, including, without limitation, all the RREEF Parties' potential obligations or

liabilities with regard to any Consent Decree or other Agreements that TRW and RREEF sign, or with regard to any CERCLA 106 order or comparable state-issued orders ("Orders") that may be issued to TRW or the RREEF Parties with regard to Covered Matters, including, without limitation, any liability for costs or penalties; provided, however, that nothing in this Section 2.3 shall extend the time periods in which TRW is obligated to provide a defense against any Claims and Liabilities for Covered Matters asserted against the RREEF Parties beyond the termination dates provided in Section 2.5 below. Notwithstanding the foregoing or any other provisions of this Agreement, TRW does not intend to waive or release, shall not be deemed to have waived or released, and hereby expressly reserves any and all rights to contribution that TRW may have (including, without limitation, contribution rights that may have been assigned to TRW under this Agreement or otherwise) against any person or entities, other than the RREEF Parties, for Claims and Liabilities for Covered Matters.

Section 2.4 Indemnification

(a) Unless and until such indemnification expires or is terminated as provided in Section 2.5, below, TRW will defend and indemnify the RREEF Parties and hold the RREEF Parties harmless against: (1) any and all Claims and Liabilities for Covered Matters, including without limitation, the costs of implementation of the Interim Remedy, reimbursement of any Government Response Costs, and reimbursement of Water Company Costs; (2) any and all Claims and Liabilities for contribution for Covered Matters; and (3) any and all Claims and Liabilities (including, without limitation, stipulated penalties) arising due to failure to implement any Consent Decree or Other Agreements. Further, TRW will defend, but not indemnify or hold the RREEF Parties harmless, where and as long as a common defense is practicable against any Claims and Liabilities raised by the Water Companies regarding TDS or nitrates in groundwater

in the PVOU; provided, however, that reasonable advance written notice will be given by TRW to RREEF of the determination that such a defense is not practicable or has become impracticable.

(b) As to any Claims and Liabilities for Covered Matters made or asserted against the RREEF Parties after the Effective Date, RREEF shall provide timely written notice to TRW of RREEF's receipt of any such Claim or assertion of Liability. Upon receipt of such notice, TRW shall assume and pay for the defense of the action in which such Claim or Liability on the part of the RREEF Parties is alleged. The RREEF Parties shall be entitled at their sole discretion to retain their own separate counsel at their own expense, in which case RREEF and their separate counsel shall reasonably cooperate with TRW and their counsel in the defense against any alleged Claims and Liabilities for Covered Matters. The RREEF Parties may, at their option, at any time upon written notice to TRW, assume the defense of any alleged Claims and Liabilities for Covered Matters against the RREEF Parties. No indemnity or assumption of liability by TRW exists if the RREEF Parties, without the specific, written approval of TRW, settles any Claim or Liability for Covered Matters.

Section 2.5 Termination of Indemnification

TRW's obligations to defend and indemnify the RREEF Parties, and hold the RREEF Parties harmless against Claims and Liabilities for Covered Matters shall terminate: (a) at such time as and to the extent that contribution protection against Claims and Liabilities for Covered Matters is obtained for the RREEF Parties, in a judicially approved Consent Decree or by a Good Faith Settlement Determination; or (b) on March 31, 2027, whichever event or date first occurs, except that TRW shall continue, after such event or date, to fulfill any and all obligations to

defend, indemnify or hold harmless the RREEF Parties, which TRW had assumed under Section 2.4(b) prior to such event or date. Nothing in this Section 2.5 shall eliminate or in any way diminish TRW's obligations under Section 2.3.

Section 2.6 Effective Date of TRW Obligations

TRW's obligations under Sections 2.3, 2.4, and 2.5 above shall become effective only upon full and timely payment by RREEF of the Settlement Amount in accordance with Section 2.1, above.

Section 2.7 Duty of Cooperation

RREEF shall cooperate with TRW to the extent reasonable and practical to assist TRW in its performance of the Interim Remedy, its efforts to defend, litigate or resolve Government, Water Company or third-party claims for Government Response Costs, Water Company Costs, or other litigation related to Covered Matters and TRW's other obligations under this Agreement. Such cooperation shall include, without limitation, compliance with any obligations that may be imposed in a Consent Decree or Other Agreements with EPA or any other Government relating to preservation of and access to records. Such cooperation shall also include, without limitation, reasonable access to witnesses and documents in RREEF's possession or control, including documents constituting expert technical and hydrogeological materials relating to Covered Matters. Such documents shall include, without limitation, all non-privileged documents in RREEF's possession and control relating to environmental conditions at the RREEF Former Facility in the PVOU, and all documents produced to the mediation document repository or exchanged among the parties to the mediation, without regard to whether such documents could be claimed to be subject to mediation privileges pursuant to the terms of the Mediation

Agreement dated May 20, 1999. RREEF agrees to retain for at least five years from the Effective Date all documents or other records prepared by or for RREEF relating to environmental conditions at the RREEF Former Facility.

Nothing herein shall be construed to require RREEF or any of the RREEF Parties to implement the Interim Remedy or Final Remedy or to negotiate any Consent Decree or Other Agreements. If RREEF provides to TRW any materials as to which it could otherwise assert attorney-work product protection, or which are otherwise entitled to any legal protections, RREEF does not thereby waive any available privileges or legal protections applicable to such documents, and TRW agrees to take all reasonable measures necessary to preserve applicable and available legal privileges and protections (including the attorney client, work product, settlement, mediation and joint defense privileges and protections).

Section 2.8 Not A Penalty

No payment under this Agreement shall constitute a penalty, fine, or monetary sanction.

Section 2.9 TRW's Reservation Of Rights

TRW hereby reserves its rights to reject any demand by any Government or the Water Companies, to challenge any cleanup order issued by a Government, and to otherwise negotiate or conduct its defenses as it sees fit. Furthermore, nothing in this Agreement shall create any obligation of TRW to RREEF to enter into a Consent Decree or Other Agreement with any person. Notwithstanding the foregoing, nothing in this Section 2.9 shall otherwise eliminate or diminish any of TRW's obligations to RREEF under Sections 2.2, 2.3, 2.4, 2.5, and 3.1.

ARTICLE III

RELEASES & COVENANT NOT TO SUE

Section 3.1 Releases for Covered Matters and Covenants Not to Sue

(a) TRW and RREEF mutually release and covenant not to sue each other, or the RREEF Parties, or any of the foregoing parties' officers, directors, and employees, for (1) all Claims and Liabilities for Covered Matters set forth in Section 3.2 below; and (2) any Claims and Liabilities arising out of costs for environmental investigations or remediation incurred by TRW or RREEF to address soil, soil vapor or groundwater contamination on their individual facilities or migrating from or onto their individual facilities. These mutual releases and covenants not to sue shall become effective upon payment by RREEF and receipt by TRW of the Settlement Amount in accordance with Section 2.1 above.

(b) RREEF further releases and covenants not to sue IIN or any other PVOU PRP who enters into a Comparable Settlement Agreement with TRW or with a group of PRPs including TRW, and any of the foregoing parties' officers, directors, and employees, for any Claims and Liabilities for Covered Matters set forth in Section 3.2 below, to the same extent such PVOU PRP or PRPs release and covenant not to sue the RREEF Parties for such Claims and Liabilities for Covered Matters.

(c) RREEF further releases and covenants not to sue IIN or any other PVOU PRP that enters into a Comparable Settlement Agreement with TRW, or a group of PVOU PRPs including TRW, and any of the foregoing parties' officers, directors, and employees, for any Claims and Liabilities to address soil, soil vapor or groundwater contamination on the RREEF

Former Facility in the PVOU or migrating from or onto the RREEF Former Facility, to the same extent such PVOU PRPs release and covenant not to sue the RREEF Parties for such Claims and Liabilities relating to their own facilities' soil, soil vapor and groundwater contamination.

(d) It is the intent of TRW and RREEF that IIN and other PVOU PRPs that enter into a Comparable Settlement Agreement with TRW, or a group of PVOU PRPs including TRW, and their respective officers, directors, and employees, shall be third-party beneficiaries of the releases and covenants not to sue reflected in this Section 3.1.

Section 3.2 Covered Matters

The Covered Matters are the Claims and Liabilities of any person, including, without limitation, TRW, RREEF, the Governments, the Water Companies, any other Settling Party and any non-settling person for and related to the following:

- (a) The implementation of the Interim Remedy;
- (b) The implementation of any Final Remedy or future response actions beyond the scope of the Interim Remedy that may be required by EPA or the State within or chargeable to the PVOU; including without limitation, any such remedy or future response action with respect to contamination in the "deep zone" beneath the "intermediate zone" as defined in the ROD;
- (c) Government Response Costs;
- (d) Water Company Costs;
- (e) All costs contributed through the Effective Date by PVSC members, former PVSC members, and Rathon (formerly Diversey Corp.), and all costs allegedly owed by RREEF

to the PVSC, for the performance of the RI/FS for the PVOU, and for other work related to design and implementation of the Interim Remedy.

Section 3.3 Excluded Matters

Except as expressly enumerated in Section 3.2, above, all other Claims and Liabilities are excluded from this Agreement ("Excluded Matters"). Such Excluded Matters are not subject to the releases and covenants not to sue in Section 3.1 and the provisions of Sections 2.2, 2.3, 2.4 and 2.5 above and include, without limitation, the following:

- (a) Claims for natural resource damages within or caused by the PVOU pursuant to CERCLA Section 107(f) or any equivalent State law;
- (b) Claims by any person alleging personal injury, property damage, or loss of future or past wages or income, loss of consortium, diminution in value, or other consequential damages or economic loss, whether based on negligence, strict liability, abnormally dangerous activity, statute or other law, including but not limited to assault, battery, nuisance, trespass, negligence, strict liability, products liability and infliction of emotional distress and/or fear; provided, however, that TRW's obligations under Sections 2.3, 2.4, 2.5, 3.1 and 3.2 to perform or pay for any activities that constitute Covered Matters will remain in full force and effect, and shall be neither diminished, nor altered, nor increased, even if such activities are also required of RREEF or other persons not parties to this Agreement as part of the relief obtained in any action alleging any such claims.
- (c) Claims and Liabilities arising under or with regard to California's Safe Drinking Water and Toxic Enforcement Act of 1986, popularly known as "Proposition 65," California's

Unfair Business Practices Act pursuant to California Business Code Sec. 17200, and any rules, regulations, orders or notices promulgated or issued thereunder; provided, however, that TRW's obligations under Sections 2.3, 2.4, 2.5, 3.1 and 3.2 to perform or pay for any activities that constitute Covered Matters will remain in full force and effect, and shall be neither diminished, nor altered, nor increased, even if such activities are also required of RREEF or other persons not parties to this Agreement as part of the relief obtained in any action arising under Proposition 65 or California's Unfair Business Practices Act.

(d) Claims and Liabilities arising from events that occur after the Effective Date and that create a release or threatened release of a hazardous substance that first enters the soil or groundwater after the Effective Date. This exclusion does not apply to the initial release of a hazardous substance to soil or groundwater that occurred prior to the Effective Date, the subsequent movement or migration of a hazardous substance that first entered soil or groundwater prior to the Effective Date, or the initial release of a hazardous substance to soil or groundwater that results from TRW's or The Working Parties' response actions in the PVOU; and

(e) Claims and Liabilities of any person, including RREEF, TRW, or any other Settling Party, that arise specifically due to a Party's failure to complete environmental remediation of its own facility within the PVOU to the extent required to obtain a No Further Action or No Further Requirements determination or the equivalent, from the Los Angeles Regional Water Quality Control Board or other State agency requiring such actions.

Section 3.4 Future Rights Under Consent Decree or Other Agreements

Nothing in this Article III shall be invoked or construed in any way to limit, abridge or otherwise affect any claims or rights that RREEF or TRW may have in the future to sue for breach of, or otherwise to enforce, any Consent Decree or Other Agreement or this Settlement Agreement, including, without limitation, any such claims, demands, or causes of action for breach or enforcement by RREEF or TRW against each other.

Section 3.5 Civil Code Section 1542

As to each of the Claims and Liabilities released and discharged by the Parties to this Agreement, the Parties specifically and expressly waive any rights and benefits available to them under the provisions of Section 1542 of the California Civil Code, which provides:

“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.”

The Parties have consulted counsel and fully understand the statutory language and intent of Civil Code Section 1542 and, with this understanding, they elect to and do assume all risk for claims hereto and hereafter arising, known or unknown, from the subject of the Claims and Liabilities released in the Agreement, and they specifically waive any rights they may have under California Civil Code Section 1542. The Parties understand that if the facts or law forming the basis for this Agreement are found hereafter to be different from the facts or law now believed by the Parties to the Agreement to be true, they expressly accept the consequences,

and assume the risk of such possible difference in facts or law and agree that the Agreement shall remain fully effective nonetheless, and that any different facts or law shall not be grounds for any action contrary to the Agreement, including an action for rescission or restitution unless such fact has been intentionally concealed by the other party.

ARTICLE IV

ASSIGNMENT OF CLAIMS

Section 4.1 Reallocation or Refund of Past PVSC Payments

RREEF hereby assigns to TRW all rights and claims to any refund or reallocation of cash payments or reimbursement for goods or services previously made or provided by RREEF to the PVSC, including any interest thereon, to the extent such rights and claims survive execution of this Agreement.

Section 4.2 Assignment of Claims for Covered Matters

RREEF hereby assigns to TRW any and all claims and rights to assert Claims and Liabilities against non-Parties for Covered Matters, including cost recovery, contribution, equitable indemnification, unjust enrichment or comparable claims under federal or state law, except that RREEF does not assign and expressly reserve any rights it may have to seek recovery for Claims and Liabilities for Covered Matters from the RREEF Parties and its insurance carriers.

Section 4.3 No Prior Assignment

RREEF represents and warrants that it has not assigned or transferred or purported to assign or transfer, voluntarily, involuntarily, or by operation of law, any claim, cause of action, or matter released or assigned pursuant to this Agreement or any part or portion thereof.

Section 4.4 Assignment of Voting Rights

To the extent RREEF retains any such voting rights following execution of this Agreement, RREEF agrees to execute a proxy assigning to TRW all RREEF's voting power to be voted as TRW in its sole discretion may determine in all matters on which votes are or may be conducted pursuant to the Puente Valley Steering Committee Site Participation Agreement, as the same may be amended from time to time.

ARTICLE V

GENERAL PROVISIONS

Section 5.1 Effect of Agreement

Except as expressly provided in Section 3.1, and as to the RREEF Parties, nothing in this Agreement shall be construed to create any rights in, or grant any cause of action to, any person or entity not a party to this Agreement. The preceding sentence shall not be construed to waive or nullify any rights that any person not a Party may have under applicable law. Subject to the provisions of Sections 4.1 and 4.2, each Party reserves any and all rights, defenses, Claims and Liabilities which it may have with respect to any matter, transaction, or occurrence against any person or entity not a Party.

Section 5.2 Survival of Agreement

Except as otherwise expressly provided elsewhere in this Agreement, all rights and obligations of the Parties under this Agreement shall survive execution and performance of any part of this Agreement.

Section 5.3 No Admission of Liability

Nothing contained in this Agreement nor the payment of the Settlement Amount nor the acceptance of any such payment by TRW is or may be construed to be an admission of any wrongdoing or liability; and more specifically, is not an admission or acknowledgment by any Party that a release or threatened release of a hazardous substance has occurred at or from any facility within the PVOU or that an alleged release has resulted in response costs incurred by any person. Without limiting the generality of the foregoing, nothing herein shall prevent any Party from asserting, in response to a claim that such Party is liable for a release or threatened release of a hazardous substance that is not covered by this Agreement, that such Party did not cause the release or threatened release of that hazardous substance or constituent.

Section 5.4 Notice

Whenever, under the terms of this Agreement, written notice is required to be given or a document is required to be sent by or to a Party, it shall be directed to the addressees specified below, unless otherwise notified.

With respect to TRW:

Robert M. Walter, Esq.
TRW Office of Counsel
1900 Richmond Road
Cleveland, Ohio 44124
(216) 291-7477 (phone)
(216) 291-7874 (fax)

With respect to RREEF:

Larry Cummins
Regional Manager of Engineering
RREEF
18301 Von Karman, Ste. 200
Irvine, CA 92612
(949) 833-2009 (phone)
(949) 833-1209 (fax)

with a copy to:

Maria Pilar Hoye, Esq.
Latham & Watkins
633 W. Fifth Street, Suite 4000
Los Angeles, CA 90071
(213) 485-1234 (phone)
(213) 891-8763 (fax)

Notice is deemed effective when delivered in person or transmitted by facsimile (with a hard copy via first class mail), or three (3) business days after being deposited in the U.S. mail via first class delivery, postage prepaid, or upon receipt of registered or certified mail. Either Party may change its designated contact for notice purposes by written notice to the other Party.

Section 5.5 Remedies

This Agreement may be pleaded as a complete defense to, and may be used as a basis for an injunction against bringing, any Claims and Liabilities released hereunder. The Parties agree

that money damages alone would be an inadequate remedy for any breach or threatened breach of this Agreement and further agree that the provisions of this Agreement may be enforced by a preliminary or permanent, mandatory or prohibitory injunction or other order or decree of a court of competent jurisdiction, in addition to and without limiting any other remedy or right that a Party may have.

Section 5.6 Enforcement of Agreement

If any Party to this Agreement brings an action to enforce its rights hereunder, the prevailing Party shall be entitled to recover:

(a) Interest on any monies determined to be owing to it, to be calculated based on the prime rate plus 200 basis points (two percent), compounded daily; and

(b) Its costs and expenses, including court costs and reasonable attorneys' fees, if any, incurred in connection with such action.

Section 5.7 Construction of Agreement

This Agreement shall be construed as a whole in accordance with its fair meaning and in accordance with the laws of the State of California. Should any part of this Agreement be found void or invalid, the remaining portions of this Agreement shall remain in effect provided that the Agreement, as so construed, continues to protect RREEF from Claims and Liabilities for Covered Matters as provided in Articles 2 and 3, above. Any waiver of any breach of any provision shall not be a waiver of any succeeding breach or a waiver of any other provision of this Agreement. The Parties have jointly drafted this Agreement and the language of the Agreement shall not be construed in favor of or against any particular Party based on the Parties'

respective roles in the drafting process. The headings used herein are for reference only and shall not affect the construction of this Agreement. This document may be executed in counterparts with each copy considered an original.

Section 5.8 Independent Counsel

Each of the Parties represents and warrants that, in connection with the negotiation and execution of this Agreement, it has been represented by independent counsel of its own choosing, that it has not relied upon the advice or counsel of the other Party's independent counsel in the negotiation or drafting of this Agreement, that it has executed this Agreement after receiving the advice of such independent counsel, that its representative has read and understands the provisions and terms of this Agreement, and that it has had an adequate opportunity to conduct an independent investigation of all facts and circumstances with respect to all matters that are the subject of this Agreement. The Parties agree that this Settlement Agreement represents a fair and good faith settlement of the Covered Matters.

Section 5.9 Deadlines

If the date by which any payment must be made or any action must be taken pursuant to this Agreement is a Saturday, Sunday, or federal banking holiday, then that date shall be extended until the next calendar day which is not a Saturday, Sunday, or federal banking holiday.

Section 5.10 Sole Agreement

This Agreement represents the sole and entire agreement between the Parties and supersedes all prior agreements, negotiations and discussions between the Parties hereto and/or their respective counsel with respect to the subject matters covered hereby; provided, however,

that any provisions of the PVOU PRP Agreement and the Mediation Agreement that expressly survive termination of such Agreements shall not be affected by this Section 5.10.

Section 5.11 Amendment to Agreement

Any amendment to this Agreement must be in a writing, signed by duly authorized representatives of the Parties hereto, and must state the intent of the Parties to amend this Agreement.

Section 5.12 Corporate Authority

The Parties hereto represent and warrant that the execution and delivery of this Agreement has been duly and validly authorized and approved by all requisite corporate action and that no further action is necessary to make this Agreement and all transactions contemplated hereby valid and binding on the parties in accordance with its terms. The corporate signatories hereto represent and warrant that they are authorized to execute and deliver this Agreement on behalf of their respective corporate entities.

Section 5.13 Binding

This Agreement shall apply to and be binding upon the Parties, and their successors and assigns. Any change in ownership or corporate or other legal status, including, but not limited to, any transfer of assets or real or personal property, shall in no way alter the status or responsibilities of the Parties under this Agreement.

Section 5.14 Confidentiality

This Agreement and its terms are confidential and shall not be disclosed by either TRW or RREEF, without the prior written consent of the other, to any other person or entity (including, but not limited to, any other Settling Party, any Water Company, EPA or any other Governments), unless:

- (a) such disclosure is made to the disclosing Party's legal counsel; or
- (b) such disclosure is made by the disclosing Party to its insurers, auditors, accountants, lenders or investors, after the disclosing Party gives a written admonition to such person or entity that the disclosure is confidential and is to be disclosed to no further person or entity without the permission of the disclosing Party; or
- (c) such disclosure is made by the disclosing Party in the course of a "due diligence" investigation by a potential acquiring entity or merger partner of the disclosing Party, pursuant to a written confidentiality agreement the terms of which are coextensive with such disclosing Party's confidentiality obligation hereunder; or
- (d) such disclosure is made by TRW or another Working Party to its technical consultant, for the purpose of assisting TRW in fulfilling its obligations under this Agreement, after the disclosing Party gives a written admonition to such person or entity that the disclosure is confidential and is to be disclosed to no further person or entity without the permission of the disclosing Party; or
- (e) such disclosure is made by TRW or another Working Party to EPA, the Water Companies, or any other Governments as may be required or reasonably necessary for purposes

of negotiating a Consent Decree or Other Agreement, subject to confidentiality agreements that will prevent or minimize further disclosure to the extent practicable; or

(f) such disclosure is required by law, provided that the Party seeking to disclose first promptly notifies the other Party(ies) and refrains from making any disclosure to the fullest extent permitted by law in order that the other Party(ies) have an opportunity to be heard and challenge such order as appropriate; or

(g) such disclosure is required by a Party to enforce this Agreement.

Consent to disclosure in circumstances other than those enumerated in subsections (a) through (g) above shall not to be unreasonably withheld.

IN WITNESS WHEREOF, TRW and RREEF have executed this Agreement on the date indicated below.

[signature page follows]

TRW Inc.

By David B. Goldstein
Title Assistant Secretary
Date Nov. 4, 2002

RREEF West-VI, Inc.

By Donald A. King
Title President
Date April 25, 2002

TRW Inc.

By William B. Lawrence
Title Executive Vice President,
General Counsel & Secretary
Date Dec. 9, 2002