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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN JOAQUIN

PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

PACIFIC BELL TELEPHONE COMPANY  
dba AT&T CALIFORNIA, a California  
Corporation,

Defendant,

No. CV028367

CONSENT AGREEMENT AND  
STIPULATION FOR ENTRY OF  
FINAL JUDGMENT; ORDER  
(PROPOSED)

WHEREAS, the PEOPLE OF THE STATE OF CALIFORNIA (hereinafter "Plaintiff") investigated PACIFIC BELL TELEPHONE COMPANY dba AT&T CALIFORNIA's (fka SBC CALIFORNIA) ("Settling Defendant") compliance with Chapters 6.5, 6.7 and 6.95 of Division 20 of the Health and Safety Code .

WHEREAS, the Plaintiff has engaged in settlement negotiations with the Settling Defendant prior to the initiation of litigation. In these negotiations, the Plaintiff was represented by the Attorney General of the State of California, the City Attorney of the City of San Diego, and the District Attorneys in the Counties of Alameda, Los Angeles, Monterey, San Diego, San Joaquin, and Solano. These offices were supported by the investigational efforts of numerous

1 prosecutorial offices and local agencies throughout the State of California.

2 WHEREAS, the Plaintiff and the Settling Defendant (hereinafter collectively referred to  
3 as “the Parties”) have agreed to settle the investigation without litigation and by lodging this  
4 proposed Consent Agreement and Stipulation for Entry of Final Judgment (“Consent  
5 Judgment”) simultaneously with the Complaint. The Plaintiff believes that the resolution of the  
6 violations alleged in the Complaint which is embodied in this Consent Judgment is fair and  
7 reasonable and fulfills the Plaintiff’s enforcement objectives, that no further action is warranted  
8 concerning the specific violations alleged in the Complaint except as provided pursuant to the  
9 Consent Judgment, and that this Consent Judgment is in the best interest of the general public.

10 IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

11 **1. INTRODUCTION.**

12 In this action, Plaintiff filed a civil complaint (the "Complaint") in San Joaquin County  
13 Superior Court against Settling Defendant. The Parties settle this action on the terms set forth in  
14 this Consent Agreement and Stipulation for Entry of Final Judgment (hereinafter "Consent  
15 Judgment") and request that this Court enter a Final Judgment incorporating the terms of this  
16 Consent Judgment.

17 **2. COMPLAINT.**

18 The Complaint in this action alleges that the Settling Defendant violated certain  
19 provisions of Chapter 6.5, 6.7 and 6.95 of Division 20 of the Health and Safety Code, and  
20 Section 17200 *et seq.* of the Business and Professions Code. A true and accurate copy of the  
21 Complaint is attached as Exhibit “A” hereto. The facilities which are addressed by this Consent  
22 Judgment are referred to in the Complaint as “Covered Facilities.” The terms in this Consent  
23 Judgment which are defined in Health and Safety Code section 25281 shall have the same  
24 meaning as stated therein.

25 **3. JURISDICTION.**

26 The Plaintiff and Settling Defendant agree that the Superior Court of California, County  
27 of San Joaquin, has subject matter jurisdiction over the matters alleged in this action and  
28 personal jurisdiction over the Parties to this Consent Judgment.

1           **4. SETTLEMENT OF DISPUTED CLAIMS.**

2           This Consent Judgment is not an admission by Settling Defendant regarding any issue of  
3 law or fact in the above-captioned matter or any violation of any law. The Parties enter into this  
4 Consent Judgment pursuant to a compromise and settlement of disputed claims, as set forth in  
5 the Complaint, for the purpose of furthering the public interest. Settling Defendant waives its  
6 right to a hearing on any matter covered by the Complaint prior to the entry of this Consent  
7 Judgment.

8           **5. PAYMENTS FOR PENALTIES, COST REIMBURSEMENT,**  
9           **ENVIRONMENTAL PROTECTION ENFORCEMENT AND OTHER**  
10           **PROJECTS.**

11           5.1   **Amount of Payment:** Settling Defendant shall be liable for the payment of  
12 TWENTY-FIVE MILLION DOLLARS (\$25,000,000) which is allocated as follows:

13           a.    **Civil Penalties and Credits:** SIXTEEN MILLION FIVE HUNDRED  
14 THOUSAND DOLLARS (\$16,500,000) AND A CREDIT OF FOUR MILLION FIVE  
15 HUNDRED THOUSAND DOLLARS (\$4,500,000). These penalties and credits shall  
16 be allocated as follows:

17           i.    **Initial Penalty of FOURTEEN MILLION DOLLARS (\$14,000,000):**  
18 Settling Defendant shall pay FOURTEEN MILLION DOLLARS (\$14,000,000)  
19 in four equal installments pursuant to the following schedule: The first payment  
20 shall be made within twenty (20) days of the entry of the Consent Judgment; the  
21 second payment shall be made no later than February 15, 2007; the third payment  
22 shall be made no later than February 15, 2008; and the fourth payment shall be  
23 made no later than February 15, 2009. The payments shall be made to the  
24 Payment Administrator designated in Paragraph 5.3.

25           A.    **Distribution to Prosecuting Agencies:** Consistent with the  
26 requirements of Business and Professions Code section 17206, TEN  
27 MILLION DOLLARS (\$10,000,000) of the civil penalties assessed in this  
28 matter will be distributed to the agencies identified in Exhibit "B" in  
accordance with the terms therein.

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**B. Distribution to Regulatory Agencies:** Consistent with the requirements of Health and Safety Code section 25299(h), FOUR MILLION DOLLARS (\$4,000,000) of the civil penalties assessed in this matter will be distributed to the agencies identified in Exhibit "C" in accordance with the terms therein. Any funds distributed to an agency identified in Exhibit "C" shall be contingent upon that agency first identifying a special account and submitting to the Payment Administrator and the Plaintiff's representatives, as identified in Paragraph 8 of the Consent Judgment, a declaration by an authorized representative of that agency stating that the funds deposited into the special account pursuant to this Consent Judgment shall be expended only to fund the activities of that agency in enforcing Chapter 6.7, Division 20, Health and Safety Code within the agency's jurisdiction pursuant to Chapter 6.11, Division 20, Health and Safety Code. The declaration shall follow the format outlined in Exhibit "D." Each agency receiving civil penalties pursuant to this paragraph shall be served with a copy of the Consent Judgment after it is entered by the Court. In the event an agency identified in Exhibit "C" does not submit the declaration required by this paragraph within three hundred sixty-five (365) days of the service of the Consent Judgment on that agency, that agency's share of the civil penalties shall be distributed by the Payment Administrator to the State Water Pollution Cleanup and Abatement Account in the State Water Quality Control Fund.

ii. **Suspended Penalty of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000):** A portion of the civil penalty assessed in this matter in the total amount of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) shall be suspended provided that Settling Defendant does not engage in any of the following acts at a Covered Facility

1 (“Suspended Penalty Conduct”) during the period of time between the three  
2 hundred sixty-fifth (365<sup>th</sup>) day and the one thousand seven hundred forty-fifth  
3 (1745<sup>th</sup>) day, inclusive, following entry of the Consent Judgment:

4 A. For any secondary containment testing of an underground storage  
5 tank system which it performs pursuant to Cal. Code of Regs., Title 23,  
6 section 2631 or Health and Safety Code section 25284.1, Settling  
7 Defendant fails to submit the failing test results to the appropriate local  
8 agency authorized, pursuant to Health and Safety Code section 25283, to  
9 implement the requirements of Division 20, Chapter 6.7 of the Health and  
10 Safety Code (“Local Agency”) within 30 days of the completion of the  
11 secondary containment test;

12 B. For any underground storage tank system which fails a secondary  
13 containment test, i) Settling Defendant fails to repair such underground  
14 tank system within the time period required by the underground tank  
15 system permit or applicable Local Agency ordinance, but no later than  
16 120 days after test failure; or ii) if the repair of the system failing the  
17 secondary containment test requires an additional permit or other  
18 regulatory authorization in advance of undertaking the repairs, Settling  
19 Defendant fails to complete the repairs within 60 days after receipt of  
20 such permits or other required authorizations; or iii) after filing an  
21 application with the Local Agency to temporarily or permanently close  
22 the underground tank system, Settling Defendant fails to implement the  
23 closure in accordance with the requirements of the Local Agency.

24 C. Settling Defendant ceases operation of an underground storage  
25 tank system in violation of Health and Safety Code section 25298, and  
26 Cal. Code of Regs., Title 23, sections 2670(b) and 2671, as applicable.

27 The Settling Defendant shall be liable for payment of the \$2,500,000  
28 suspended penalty if Settling Defendant engages in the Suspended Penalty

1 Conduct. The suspended penalty is based on the Settling Defendant's  
2 representation that certain measures which it intends to implement with regard to  
3 its environmental management program will prevent the occurrence of conditions  
4 which were alleged in the Complaint. The Parties have agreed that the suspended  
5 penalty will not apply to conduct which may otherwise constitute Suspended  
6 Penalty Conduct which occurs within the first three hundred sixty-five (365) days  
7 following the entry of the Consent Judgment in order to give Settling Defendant  
8 a reasonable time in which to implement the environmental management  
9 measures. Plaintiff is willing to suspend the assessment of a portion of the civil  
10 penalties imposed by this action in order to give Settling Defendant the  
11 opportunity to demonstrate improvements to its environmental management  
12 program undertaken pursuant to this Consent Judgment.

13 The assessment of the suspended penalty shall be brought by noticed  
14 motion by the Plaintiff. Settling Defendant retains all of its rights to contest the  
15 Plaintiff's claims that Settling Defendant has engaged in Suspended Penalty  
16 Conduct (including the right to assert that the alleged noncompliance was due to  
17 a *Force Majeure* event). Upon a finding by the Court that Settling Defendant has  
18 engaged in Suspended Penalty Conduct on a single occasion, the suspended  
19 penalty of \$2,500,000 shall be assessed in its entirety and the Court shall have no  
20 discretion to reduce or otherwise modify the amount of the penalty. Payment of  
21 the entire suspended penalty shall be due within thirty (30) days of the entry of an  
22 order finding that Settling Defendant engaged in Suspended Penalty Conduct  
23 unless Settling Defendant files a timely appeal of such an order. In that event,  
24 payment of the suspended penalty shall be due within 30 days of the affirmation  
25 on appeal of the order. Plaintiff shall designate the payee or payees of the  
26 suspended penalty in its moving papers. Once the suspended penalty has been  
27 assessed, it can not be assessed again.

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1                   iii.     **Credit of FOUR MILLION FIVE HUNDRED THOUSAND**  
2                                   **DOLLARS (\$4,500,000):**

3                   As part of Settling Defendant's efforts to enhance its compliance with  
4                   environmental laws applicable to its operation of facilities in the State of  
5                   California, Settling Defendant has proposed to implement the California  
6                   Compliance Management System ("CCMS"). The CCMS is an environmental  
7                   management system covering environmental compliance requirements at Settling  
8                   Defendant's Covered Facilities and any other facility Settling Defendant operates  
9                   in the State of California which uses underground tank systems and which first  
10                  commences operations after entry of the Consent Judgment. The CCMS shall  
11                  consist of the program components and shall meet the program objectives that  
12                  are more fully described in Exhibit "E". Settling Defendant shall develop and  
13                  implement the CCMS in accordance with the implementation conditions and  
14                  schedule set forth in Exhibit "F". Commencing on August 1, 2005 and  
15                  concluding at the end of February 15, 2011 ("CCMS Credit Period"), Settling  
16                  Defendant shall expend at least FOUR MILLION FIVE HUNDRED  
17                  THOUSAND DOLLARS (\$4,500,000) to directly develop and directly  
18                  implement the CCMS. On or before March 15, 2011, Settling Defendant shall  
19                  submit a certified statement by a responsible corporate official representing  
20                  Settling Defendant documenting the expenditures by Settling Defendant during  
21                  the CCMS Credit Period for the CCMS. The expenditures may be external  
22                  payments to outside vendors and/or expenditures for the costs of internal  
23                  Environmental Management resources and internal Business Unit resources,  
24                  provided that such expenditures are directly related to development and  
25                  implementation of the CCMS Program Components and Objectives in Exhibit  
26                  "E." In making such certification, the official may rely upon normal company  
27                  project tracking systems that capture employee time expenditures and external  
28                  payments to outside vendors such as environmental and IT contractors or

1 consultants. Settling Defendant shall provide any additional information  
2 requested by Plaintiff which is reasonably necessary to verify Settling  
3 Defendant's expenditures on the CCMS during the CCMS Credit Period.

4 If Settling Defendant has not incurred costs of FOUR MILLION FIVE  
5 HUNDRED THOUSAND DOLLARS (\$4,500,000) to implement the CCMS  
6 during the CCMS Credit Period, Settling Defendant shall pay the difference of its  
7 actual incurred costs and \$4,500,000, as an additional payment to Plaintiff. Such  
8 payment shall be made to the Payment Administrator and shall be due within  
9 forty-five (45) days of the end of the CCMS Credit Period. In the event that this  
10 additional payment is made by Settling Defendant pursuant to this subparagraph,  
11 Plaintiff will move the Court for an order which will characterize the nature of  
12 the payment and identify the entity or entities to whom the payment shall be  
13 distributed.

14 b. **Reimbursement of Costs of Investigation and Enforcement:** ONE MILLION  
15 FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000). Settling Defendant shall pay  
16 the total amount of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS  
17 (\$1,500,000) in settlement of Plaintiff's claim for attorneys fees, costs of investigation,  
18 and other costs of enforcement incurred in this matter, including payment for the  
19 services of the Payment Administrator identified in Paragraph 5.3. Within twenty (20)  
20 days of the entry of the Consent Judgment, Settling Defendant shall pay this amount to  
21 the Payment Administrator designated in Paragraph 5.3. The Payment Administrator  
22 shall distribute these costs as set forth in Exhibit "G."

23 c. **Environmental Training Projects:** TWO MILLION FIVE HUNDRED  
24 THOUSAND DOLLARS (\$2,500,000). Settling Defendant shall pay TWO MILLION  
25 FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) in four equal installments on  
26 the following schedule: The first payment shall be made within twenty (20) days of the  
27 entry of the Consent Judgment; the second payment shall be made on or before February  
28 15, 2007; the third payment shall be made on or before February 15, 2008; and the fourth



1 payment shall be made on or before February 15, 2009. The payments shall be made to  
2 the Payment Administrator designated in Paragraph 5.3. The \$2,500,000 will be  
3 allocated between the following projects:

4 i. SIX HUNDRED THOUSAND DOLLARS (\$600,000) payable to the  
5 California District Attorneys Association Environmental Project for the purposes  
6 of providing training consistent with the purposes of that project;

7 ii. FOUR HUNDRED THOUSAND DOLLARS (\$400,000) payable to the  
8 California District Attorneys Association Environmental Circuit Prosecutor  
9 Project for the purposes of providing training consistent with the purposes of that  
10 project;

11 iii. FIVE HUNDRED THOUSAND DOLLARS (\$500,000) payable to the  
12 Environmental Protection Prosecution Fund for the purposes of providing  
13 training and other activities authorized for support from that fund;

14 iv. FOUR HUNDRED THOUSAND DOLLARS (\$400,000) payable to the  
15 California Hazardous Materials Investigators Association (CHMIA) for the  
16 purpose of training. A minimum of \$200,000 of these funds shall be used by  
17 CHMIA to assist the Western States Project in conducting the Advanced  
18 Environmental Crimes Training Program offered in conjunction with the Federal  
19 Law Enforcement Training Center and California Specialized Training Institute;

20 v. THREE HUNDRED THOUSAND DOLLARS (\$300,000) payable to the  
21 CUPA Forum for the purpose of providing scholarships for its annual training  
22 conference;

23 vi. THREE HUNDRED THOUSAND DOLLARS (\$300,000) payable to the  
24 State Water Pollution Cleanup and Abatement Account in the State Water  
25 Quality Control Fund for training consistent with the purposes of that account.

26 To the extent that Settling Defendant wishes to make training available to Local Agency  
27 inspectors on how to inspect for environmental issues arising at telecommunications  
28 facilities, Plaintiff will make good faith efforts, if requested by Settling Defendant, to

1 assist Settling Defendant in contacting appropriate organizations representing such  
2 inspectors to facilitate such training efforts.

3 **5.2. Requirements Pertaining to Environmental Training Projects:** The TWO  
4 MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) to be paid pursuant to  
5 Paragraph 5.1.c. shall be used by each of the designated organizations, upon acceptance, to fund,  
6 design or provide training to California local and state prosecutors, investigators, and regulators  
7 on multi-media/multi-jurisdictional enforcement courses with emphasis on courses related to  
8 enforcement actions taken by regulators utilizing local prosecutors or the Attorney General's  
9 Office. Such training shall take place, to the extent reasonably possible, within five (5) years  
10 following entry of the Consent Judgment. If the payment is accepted by a designated entity,  
11 each such entity shall provide annual letter reports, starting on January 1, 2007, (and on the first  
12 of January for each following year) until the exhaustion of the funds, describing the specific use  
13 of the funds and the type of training provided. The reports shall be submitted to the Plaintiff's  
14 representatives identified in Paragraph 8 of this Consent Judgment. In the event that one of the  
15 designated entities chooses not accept its share of the \$2,500,000 pursuant to the requirements  
16 of this Consent Judgment, the Plaintiff shall request, by noticed motion, an alternate disposition  
17 of that entity's share of the \$2,500,000. A copy of this Consent Judgment shall be provided to  
18 each entity which receives funds to provide environmental training pursuant to this Consent  
19 Judgment.

20 **5.3. Payment Administrator:**

21 a. The disbursement of all payments made by Settling Defendant to the Plaintiff  
22 pursuant to Paragraph 5 of this Consent Judgment shall be the responsibility of a  
23 Payment Administrator who has been designated by the Plaintiff. The Payment  
24 Administrator is the San Joaquin County District Attorney.

25 b. All of the payments required of the Settling Defendant pursuant to Paragraph 5  
26 shall be made by certified or cashiers check or wire transfer to the San Joaquin County  
27 District Attorney .

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1 c. All payments made by check shall be delivered to the following address:

2 San Joaquin County District Attorney's Office  
3 Attention: Tony Rocha  
4 222 E. Weber Avenue, Room 202  
5 Stockton, California 95202

6 In the alternative, payments may be made by wire transfer and such transfers  
7 shall be electronically transmitted to an account and routing number as directed in  
8 writing by Plaintiff to Settling Defendant following the entry of the Consent Judgment.

9 d. The Payment Administrator shall be responsible for disbursing the settlement  
10 funds to the entities identified in Exhibits B, C, and G in accordance with the terms of  
11 the Consent Judgment and the applicable exhibit.

12 **5.4 Copy of Payments to Plaintiff's Representatives:** A photocopy of all  
13 payments made by Settling Defendant pursuant to Paragraph 5.1 (or electronic confirmation of  
14 the wire transfer) shall be sent, at the same time that they are delivered or transferred for  
15 payment, to each of Plaintiff's representatives identified in Paragraph 8.

16 **6. PERMANENT INJUNCTIVE RELIEF**

17 Subject to Paragraph 16.2 and pursuant to provisions of Health and Safety Code sections  
18 25181, 25299.01, 25516.2, Business and Professions Code section 17203, and the Court's  
19 equitable powers, Settling Defendant shall undertake the following actions related to the  
20 Covered Facilities which have not been permanently closed as of the effective date of the  
21 Consent Judgment and any other facility of Settling Defendant which uses underground tank  
22 systems and which first commences operations after entry of the Consent Judgment. Any  
23 violation of the permanent injunction required by this Consent Judgment shall be considered  
24 separate and in addition to any violation of the statutory or regulatory requirements:

25 **6.1 Certification of Compliance with Secondary Containment Testing:** Within 30  
26 days of the entry of this Consent Judgment, Settling Defendant shall submit a certification that  
27 as of June 1, 2005, each underground tank system (including but not limited to underground  
28 emergency generator tank systems) then in operation has passed secondary containment testing  
in compliance with the tests required by of Cal. Code Regs., Title 23 sections 2637(a) or (b), or

1 Health and Safety Code section 24284.1(a)(4)(B)(ii).

2       6.2    Repeat Secondary Containment Testing: Within 30 days of the entry of the  
3 Consent Judgment, Settling Defendant shall submit a report to the Plaintiff which identifies the  
4 date on which each underground tank system last passed its secondary containment test (using  
5 the SB 989 test, or, for emergency generator tanks, either the SB 989 test or an enhanced leak  
6 detection test). This date shall be referred hereinafter as the “Integrity Test Date.” Settling  
7 Defendant shall conduct subsequent periodic secondary containment testing no less frequently  
8 than 36 months after the Integrity Test Date or, for subsequent tests, no less frequently than 36  
9 months after the immediately preceding date on which the underground tank system passed its  
10 secondary containment test.

11       6.3    Repair of Underground Tank Systems Which Fail Secondary Containment  
12 Testing: For any underground tank system which fails a secondary containment test, Settling  
13 Defendant shall do one of the following: i) repair such underground tank system within the time  
14 period required by the underground tank system permit or applicable Local Agency ordinance,  
15 but no later than 120 days after test failure; ii) if the repair of the system failing the secondary  
16 containment test requires a permit or other regulatory authorization in advance of undertaking  
17 the repairs, Settling Defendant shall file as promptly as reasonably practicable, but in no event  
18 later than 45 days after test failure (or no later than 60 days if engineering drawings are  
19 required), a complete application with the agency or agencies for a permit or other required  
20 regulatory authorization to undertake the repairs, and Settling Defendant shall complete the  
21 repairs no later than 60 days after receipt of such permits or other required authorizations; or iii)  
22 within 60 days of such test failure, file an application with the Local Agency to temporarily or  
23 permanently close the underground tank system and implement the closure in accordance with  
24 the requirements of the Local Agency. If any underground tank system that fails a secondary  
25 containment test has not been either repaired to enable it to pass the secondary containment test  
26 or temporarily or permanently closed within the time frames set forth in the preceding sentence  
27 (or within a shorter period of time if required by its underground tank system permit or  
28 applicable Local Agency ordinance), Settling Defendant shall not operate that underground tank

1 system, including the storage of fuels (except for secondary containment or tank integrity testing  
2 purposes), until that system passes a valid secondary containment test.

3       6.4    Notification of Secondary Containment Testing: Settling Defendant shall notify  
4 the applicable Local Agency at least 48 hours prior to conducting a secondary containment test  
5 on an underground tank system.

6       6.5    Notification of Secondary Containment Test Results: Settling Defendant shall  
7 submit a written copy of all test reports for each underground tank system to the applicable  
8 Local Agency within 30 days of the completion of the secondary containment test. The results  
9 shall be submitted to the headquarters office of the Local Agency unless it designates in writing  
10 to the Settling Defendant, in advance of the submission of test results, a field office of the Local  
11 Agency as an alternate office to receive the test results.

12       6.6    Annual Testing and Certification of Underground Tank System Monitoring  
13 Systems: Settling Defendant shall annually test and certify each underground tank system  
14 monitoring system in accordance with Cal. Code Regs., Title 23, section 2638.

15       6.7    Authorization from Regulatory Agencies: If either the applicable underground  
16 tank system permit or applicable Local Agency ordinance requires that a permit or other  
17 authorization is needed for maintenance, upkeep, repairs, upgrades, alterations, or modification  
18 on an underground tank system, then Settling Defendant shall obtain such specified permit or  
19 authorization prior to conducting the regulated activity. In the event that Settling Defendant is  
20 unsure whether the applicable underground tank system permit or applicable Local Agency  
21 ordinance requires that work related to an underground tank system requires a permit or  
22 authorization, Settling Defendant shall affirmatively contact the applicable Local Agency for  
23 written guidance prior to undertaking the work and can rely upon the written guidance provided.  
24 If Settling Defendant is provided guidance orally by the Local Agency, Settling Defendant shall  
25 request that such guidance be provided in writing. If the Local Agency does not provide the  
26 requested written confirmation within five (5) business days of the request, Settling Defendant  
27 shall send a written communication confirming the oral guidance received, both to the  
28 representative of the Local Agency who provided the oral guidance, as well as the supervisor of

1 that representative. Settling Defendant may rely upon the oral guidance described in the  
2 confirming communication unless the Local Agency disputes the representation in the written  
3 communication within five (5) business days of receipt of Settling Defendant's written  
4 communication confirming the oral guidance. Settling Defendant shall maintain a record of any  
5 communication by a Local Agency regarding or related to the performance of work without a  
6 permit or authorization. If the Local Agency does not provide any response to Settling  
7 Defendant's question regarding whether particular proposed work on an underground tank  
8 system requires a permit or other regulatory authorization, Settling Defendant may set forth in  
9 writing to the Local Agency (addressed to both the Local Agency inspector and the inspector's  
10 supervisor) the Settling Defendant's unsuccessful efforts to obtain guidance from the Local  
11 Agency and the Settling Defendant's interpretation of the applicable legal requirements. For the  
12 purposes of this Consent Judgment, Settling Defendant may rely on its interpretation as set forth  
13 in the written communication to the Local Agency unless the Local Agency disputes Settling  
14 Defendant's interpretation within five (5) business days of the receipt of Settling Defendant's  
15 written communication.

16       6.8     Leak Detection: Notwithstanding the foregoing, if other leak detection records or  
17 visual observations indicate that there are actual leaks from an underground tank secondary  
18 containment system into the environment, Settling Defendant shall report such information to  
19 regulatory agencies as required under applicable laws and will accelerate the necessary response  
20 to the tank condition (including the removal of all product from the tank, or use of an  
21 aboveground tank were logically feasible and legally permissible) as soon as reasonably possible  
22 consistent with maintaining essential backup telecommunications service in the event of a  
23 power outage.

24       6.9     Leak Detection Alarms: Settling Defendant shall install and maintain leak  
25 detection monitoring equipment such that the equipment is capable of detecting a fuel leak in  
26 the tank, piping and secondary containment at the earliest possible opportunity, in accordance  
27 with Cal. Code of Regs., Title 23, section 2630(d). To accomplish that, the Settling Defendant  
28 shall do the following: (i) By the end of the next calendar day after receipt of an electronic

1 notification that both the secondary containment sensor is detecting liquid in the secondary  
2 containment of an underground tank system and the in-tank fuel leak probe in the underground  
3 tank system is also registering a drop in fuel levels (and so triggering a "fuel leak alarm"), or  
4 there is some other indication (other than the secondary containment sensor detecting liquid in  
5 the secondary containment) of potential fuel loss from the monitored tank, piping or secondary  
6 containment, the Settling Defendant shall request that a trained employee, agent, or contractor of  
7 the Settling Defendant travel to the relevant location on a "rush" basis to inspect the liquid in  
8 such containment to determine whether it is leaked/spilled fuel; and (ii) such employee, agent or  
9 contractor shall inspect the secondary containment and make such a determination by the end of  
10 the calendar day after receiving such request. When the Settling Defendant receives electronic  
11 notification that the secondary containment sensor is detecting liquid in the secondary  
12 containment of an underground tank system and the in-tank fuel leak probe is not registering a  
13 drop in fuel levels and there is no other indication (other than the secondary containment  
14 sensor detecting liquid in the secondary containment) of potential fuel loss from the monitored  
15 tank, piping or secondary containment, then: i) the Settling Defendant shall, within the next  
16 calendar day, request that a trained employee, agent or contractor promptly inspect the  
17 secondary containment involved, and (ii) such employee agent or contractor shall inspect the  
18 secondary containment involved and make a determination of whether the liquid is  
19 leaked/spilled fuel, as promptly as reasonably possible, but not later than 96 hours of receiving  
20 such request. The time established in this subsection shall be extended to the extent reasonably  
21 necessary due to adverse weather conditions that hinder or block site access or to a *Force*  
22 *Majeure* event. In the event that corrective work is required to address the cause of the alarm,  
23 Settling Defendant will undertake the work as soon as reasonably possible consistent with all  
24 applicable legal requirements. Settling Defendant will also provide notice to and obtain  
25 regulatory authorization for such corrective work as required under subsection (g)  
26 ("Authorization from Regulatory Agencies"). Nothing in this subsection is intended to relieve  
27 nor shall it relieve, Settling Defendant from compliance with any applicable requirements of  
28 law, statute, regulation or ordinance including those requirements for reporting, recording or

1 responding to unauthorized releases of hazardous substances.

2       6.10 Closure of Underground Tank Systems: In the event that Settling Defendant  
3 ceases operation of any underground tank system, it shall comply with the requirements of  
4 Health and Safety Code section 25298, and Cal. Code of Regs., Title 23, sections 2670(b) and  
5 2671, as applicable.

6       6.11 Financial Responsibility: Settling Defendant shall comply with the financial  
7 responsibility requirements for its underground tank systems as required by Health and Safety  
8 Code sections 25292.2 and 25299.31.

9       6.12 Hazardous Waste Management Training: Settling Defendant shall provide  
10 training in hazardous waste management procedures to such employees as are required by law to  
11 receive such training, shall maintain documentation of such training, and shall maintain  
12 hazardous waste safety emergency response procedures as provided in Cal. Code of Regs., Title  
13 22, sections 66265.16 and 66265.56; provided, however, that for such employees who work  
14 solely at or with facilities where Settling Defendant generates less than 1000 kg/month of  
15 hazardous waste, Settling Defendant shall instead comply with the alternative training,  
16 document maintenance, and emergency procedures standards established for small quantity  
17 generators in Code of Fed. Regs., Title 40, sections 262.34 (d), (e), and (t), in accordance with  
18 Health and Safety Code section 25123.3 (h).

19       6.13 Hazardous Materials Management Training: Settling Defendant shall comply  
20 with employee training requirements for hazardous material business plans (including training  
21 regarding the underground tank system monitoring plans and responses to spills from  
22 underground tank systems) under Health and Safety Code section 25504.

23       **7. MATTERS COVERED BY THIS CONSENT JUDGMENT.**

24       7.1 Except as provided in Paragraph 7, this Consent Judgment is a final and binding  
25 resolution and settlement of all claims, violations or causes of action alleged by the Complaint  
26 in this matter or which could have been asserted up until September 14, 2005, according to  
27 statute by or through the People of the State of California, based on the specific facts alleged in  
28 the Complaint against Settling Defendant, its subsidiaries and corporate parents, and each of



1 their affiliates and parents, successors, heirs, assigns, and their respective officers, directors,  
2 partners, employees, representatives, agents, property owners, tank owners, franchisees, and  
3 facility operators at the Covered Facilities (“Entities Covered by Settlement”). Independent  
4 contractors and subcontractors are not covered by this Consent Judgment except for acts alleged  
5 in the Complaint which were performed at the direction of Settling Defendant. In the event that  
6 litigation is filed by an entity which is not a party to this action against one of the Entities  
7 Covered by Settlement based upon claims, violations or causes of action alleged by the  
8 Complaint in this matter, or which could have been asserted based on the specific facts alleged  
9 in the Complaint, Settling Defendant shall notify Plaintiff within thirty (30) days of service of  
10 such litigation on Settling Defendant. After notice, Plaintiff will appear in such subsequent  
11 litigation to explain the effect of this Consent Judgment on such litigation. If Plaintiff  
12 determines that the subsequent litigation is barred by the principles in this paragraph, Plaintiff  
13 will support Settling Defendant in arguing that the subsequent litigation is barred by the  
14 principle of *res judicata*.

15 7.2. The provisions of Paragraph 7.1 are effective as of the date of the entry of the  
16 Consent Judgment but the continuing effect of such provisions is expressly conditioned on  
17 Settling Defendant’s full payment of the civil penalty, costs and other payments specified in  
18 Paragraph 5 of the Consent Judgment.

19 7.3 Paragraphs 7.1 and 7.2 have no effect on the ability of Plaintiff to enforce the  
20 terms of the Consent Judgment. Moreover, this Court retains exclusive jurisdiction to address  
21 any future claims for injunctive relief, penalty assessments, or other relief for the Covered  
22 Facilities against Settling Defendant arising from or related to any alleged or actual violations of  
23 the Consent Judgment.

24 7.4 The matters which are addressed as set forth in Paragraph 7.1 or which are  
25 subject to this Court’s continuing jurisdiction pursuant to Paragraph 7.3 are each a “Covered  
26 Matter”.

27 7.5 Any violations of law, statute, regulation or ordinance, if any, by Settling  
28 Defendant which are based on facts not expressly alleged by the Complaint or addressed as a

1 Covered Matter, or which occur or exist after September 14, 2005 are not resolved, settled, or  
2 covered by this Consent Judgment.

3 7.6 Settling Defendant covenants not to sue or pursue any civil or administrative  
4 claims against Plaintiff or agencies of the State of California, any counties of the State of  
5 California or any Certified Unified Program Agency, Participating Agency or Unified Program  
6 Agency as those terms are defined pursuant to Health and Safety Code Section 25281(d)(1)(2)  
7 and (3), or their officers, employees, representatives, agents or attorneys arising out of or related  
8 to any matter expressly addressed by this Consent Judgment, except for the purpose of enforcing  
9 Plaintiff's obligations under this Consent Judgment.

10 7.7 Notwithstanding any other provision of the Consent Judgment, any claims or  
11 causes of action for:

12 i) performance of cleanup, corrective action or response action, or

13 ii) criminal penalties, civil penalties, damages, injunctive relief, or

14 iii) recovery of response costs

15 concerning or arising out of possible or actual past or future releases, spills, leaks, discharges or  
16 disposal of motor vehicle fuels, hazardous wastes or hazardous substances caused or contributed  
17 to by Settling Defendant at locations at or around the Covered Facilities are not resolved by this  
18 Consent Judgment, and such claims or causes of action, if any, are reserved by the People of the  
19 State of California. This Consent Judgment resolves allegations of Settling Defendant's failure  
20 to timely report releases of hazardous materials as alleged in the Complaint.

21 7.8 Except as provided by this Consent Judgment, the Parties reserve the right to  
22 pursue any claims not related to Covered Matters and any defense to such claims ("Reserved  
23 Claims").

24 7.9 In any subsequent action that may be brought by Plaintiff to enforce any  
25 Reserved Claims or claims otherwise excluded from this settlement, Settling Defendant will not  
26 assert, plead or raise against Plaintiff in any fashion any defense or avoidance claiming that such  
27 failure to bring such claims as part of this action constitutes claim-splitting, laches or any other  
28 lack of timeliness. This Paragraph does not affect any statute of limitations, if any, which may

1 be applicable to any Reserved Claims or claims otherwise excluded from this settlement.

2           7.10 a. It is not a breach of Settling Defendant's obligations under Paragraphs 5.1.a.ii.  
3 and 6 if Settling Defendant is unable to perform due to a *Force Majeure* event. Any event due to  
4 acts of God, acts of war or that arises beyond the control of the Settling Defendant that prevents  
5 the performance of such an obligation despite Settling Defendant's timely and diligent efforts to  
6 fulfill the obligation is a *Force Majeure* event. A *Force Majeure* event does not include  
7 financial inability to fund or complete the work, any failure by Settling Defendant's suppliers,  
8 contractors, subcontractors or other persons contracted to perform the work for or on behalf of  
9 Settling Defendant (unless their failure to do so is itself due to a *Force Majeure* event), nor does  
10 it include circumstances which could have been avoided if Settling Defendant had complied  
11 with preventative requirements imposed by law, regulation or ordinance.

12           b. If Settling Defendant claims a *Force Majeure* event, it shall notify the Plaintiff in  
13 writing within three (3) business days of when the Settling Defendant first learns that the event  
14 will prevent performance of an obligation in Paragraphs 5.1.a.ii. and 6 Within fourteen (14)  
15 days thereafter, the Settling Defendant shall provide to Plaintiff a written explanation and  
16 description of the reasons for the prevention of performance, all actions taken or to be taken to  
17 prevent or mitigate the non-performance, the anticipated date for performance, an explanation of  
18 why the event is a *Force Majeure* event, and any documentation to support Settling Defendant's  
19 explanation. Within fourteen (14) days of receipt of such explanation, Plaintiff will notify the  
20 Settling Defendant in writing whether Plaintiff agrees or disagrees with Settling Defendant's  
21 assertion of a *Force Majeure* event. If the Parties do not agree that a particular delay or lack of  
22 performance is attributable to a *Force Majeure* event, either Party may petition the Court to  
23 resolve the dispute. If either Party petitions the Court to resolve the dispute, it will neither  
24 preclude nor prejudice the Plaintiff from bringing a motion to enforce the provisions of either  
25 Paragraph 5.1.a.ii or 6, as applicable, against Settling Defendant as provided in subsection d.,  
26 below.

27           c. The time for performance of the obligations under Paragraphs 5.1.a.ii. and 6 of this  
28 Consent Judgment that are affected by a *Force Majeure* event will be extended for such time as

1 is necessary to complete those obligations. An extension of the time for performance of the  
2 obligations affected by the *Force Majeure* event shall not, of itself, extend the time for  
3 performance of any other obligation.

4 d. If Plaintiff chooses to enforce the provisions of Paragraphs 5.1.a.ii. or 6 against  
5 Settling Defendant for the failure to perform in spite of Settling Defendant's claim of a *Force*  
6 *Majeure* event, Settling Defendant may raise the claimed *Force Majeure* event as a defense to  
7 such an action and shall have the burden of proof to demonstrate the *Force Majeure* event

8 **8. NOTICE.**

9 All submissions and notices required by this Consent Judgment shall be sent to:

10 For Plaintiff:

11 Reed Sato, Esq.  
12 Deputy Attorney General  
13 Office of the Attorney General  
14 1300 "I" Street  
15 P.O. Box 944255  
16 Sacramento, California 94244-2550

15 David J. Ireys, Esq.  
16 Supervising Deputy District Attorney  
17 Environmental Prosecutions Unit  
18 San Joaquin County Courthouse, Room 202  
19 P.O. Box 990  
20 Stockton, California 95201

19 For Settling Defendant:

20 Peggy Garber  
21 General Attorney and Assistant General Counsel  
22 AT&T Services, Inc.  
23 175 E. Houston Street  
24 San Antonio, Texas 78205

23 with copies to:

24 Deborah J. Schmall  
25 Farella Braun + Martel LLP  
26 235 Montgomery Street  
27 San Francisco, California 94104

27 Michael J. Steel  
28 Pillsbury Winthrop Shaw Pittman LLP  
P.O. Box 7880  
San Francisco, California 94120-7880

1 Any Party may change the address for purpose of notices to that Party by a notice  
2 specifying a new address, but no such change is effective until it is actually received by the Party  
3 sought to be charged with its contents. All notices and other communications required or  
4 permitted under this Consent Judgment that are addressed as provided in this Paragraph are  
5 effective upon delivery if delivered personally or by overnight mail, or are effective five (5) days  
6 following deposit in the United States mail, postage prepaid, if delivered by mail.

7 **9. NECESSITY FOR WRITTEN APPROVALS**

8 All approvals and decisions of the Plaintiff regarding any matter requiring approval or  
9 decision of the Plaintiff under the terms of this Consent Judgment shall be communicated in  
10 writing to Settling Defendant. No informal oral advice, guidance, suggestions, or comments by  
11 employees or officials of the Plaintiff regarding submissions or notices shall be construed to  
12 relieve Settling Defendant of its obligations to obtain the final written approvals by Plaintiff  
13 required by this Consent Judgment. All approvals and decisions of Settling Defendant regarding  
14 any matter requiring approval or decision of Settling Defendant which are required to be  
15 communicated to Plaintiff under the terms of this Consent Judgment shall be communicated in  
16 writing.

17 **10. EFFECT OF JUDGMENT.**

18 Except as expressly provided in this Consent Judgment, nothing in this Consent  
19 Judgment is intended nor shall it be construed to preclude Plaintiff or any state agency,  
20 department, board or entity, or any county, or any Certified Unified Program Agency,  
21 Participating Agency, Unified Program Agency or any other local agency from exercising its  
22 authority under any law, statute, or regulation at the Covered Facilities or any other facility  
23 addressed or identified in this Consent Judgment. Except as expressly provided in this Consent  
24 Judgment, Settling Defendant retains all of its defenses to the exercise of the aforementioned  
25 authority.

26 **11. PLAINTIFF IS NOT LIABLE.**

27 The Plaintiff shall not be liable for any injury or damage to persons or property resulting  
28 from acts or omissions by Settling Defendant, its directors, officers, employees, agents,

1 representatives or contractors in carrying out activities pursuant to this Consent Judgment, nor  
2 shall the Plaintiff be held as a party to or guarantor of any contract entered into by Settling  
3 Defendant, its directors, officers, employees, agents, representatives or contractors, in carrying  
4 out activities required pursuant to this Consent Judgment.

5 **12. NO WAIVER OF RIGHT TO ENFORCE.**

6 The failure of the Plaintiff to enforce any provision of this Consent Judgment shall  
7 neither be deemed a waiver of such provision nor in any way affect the validity of this Consent  
8 Judgment. The failure of the Plaintiff to enforce any such provision shall not preclude it from  
9 later enforcing the same or any other provision of this Consent Judgment. No oral advice,  
10 guidance, suggestions or comments by employees or officials of any Party regarding matters  
11 covered in this Consent Judgment shall be construed to relieve any Party of its obligations  
12 required by this Consent Judgment.

13 **13. REGULATORY CHANGES.**

14 Nothing in this Consent Judgment shall excuse Settling Defendant from meeting any  
15 more stringent requirements which may be imposed hereafter by changes in applicable and  
16 legally binding legislation or regulations.

17 **14. APPLICATION OF CONSENT JUDGMENT.**

18 This Consent Judgment shall apply to and be binding upon the Plaintiff, Settling  
19 Defendant and the successors or assigns of each of them.

20 **15. AUTHORITY TO ENTER CONSENT JUDGMENT.**

21 Each signatory to this Consent Judgment certifies that he or she is fully authorized by the  
22 Party he or she represents to enter into this Consent Judgment, to execute it on behalf of the  
23 Party represented, and to legally bind that Party.

24 **16. CONTINUING JURISDICTION.**

25 16.1 The Court shall retain continuing jurisdiction to enforce the terms of this Consent  
26 Judgment and to address any other matters arising out of or regarding this Consent Judgment.  
27 The Parties shall meet and confer prior to the filing of any motion relating to this Consent  
28 Judgment and shall negotiate in good faith in an effort to resolve any dispute without judicial

1 intervention.

2           16.2    At any time after Settling Defendant and Plaintiff both receive the Final  
3 Independent Audit Report required pursuant to Paragraph IV.F. of Exhibit G (but in no event  
4 earlier than sixty (60) months following entry of this Consent Judgment), any Party may provide  
5 notice to the Court (which shall be served on all Parties) that the permanent injunctive  
6 provisions of Paragraph 6 of this Consent Judgment will expire and have no further force or  
7 effect (“Notice of Termination”). The permanent injunctive provisions of Paragraph 6 will be of  
8 no further force or effect sixty (60) days thereafter, unless Plaintiff files a motion contesting the  
9 expiration of Paragraph 6 within sixty (60) days of receipt of the Notice of Termination. In the  
10 event that such a motion is filed, none of the contested injunctive provisions of Paragraph 6 will  
11 terminate pending the Court’s ruling on the motion. The Plaintiff reserves its rights to contest  
12 termination on any ground and to offer any evidence relevant to such motion, and the Settling  
13 Defendant reserves its rights to respond on any ground and offer evidence relevant to such  
14 motion by Plaintiff. The provisions of the permanent injunction in Paragraph 6 will expire and  
15 be of no further force or effect unless the Court (upon consideration of the Parties’ pleadings  
16 and argument, if any) determines that the expiration of the provisions would not be in the  
17 interests of justice because Settling Defendant either has not (1) substantially complied in  
18 material respects with the injunctive provisions of Paragraph 6, or (2) been reasonably diligent  
19 in implementing the CCMS. The termination of any of the permanent injunctive provisions of  
20 Paragraph 6 shall have no effect on Settling Defendant’s obligation to comply with requirements  
21 imposed by statute, regulation, ordinance, or law.

22           **17.    LIABILITY FOR NONCOMPLIANCE BY SETTLING DEFENDANT**

23           Plaintiff may move this Court to enjoin Settling Defendant from any violation of any  
24 provision of this Consent Judgment and for penalties as provided in this Paragraph for violation  
25 of the Consent Judgment, including Paragraph 6 (“Enforcement of Judgment Claims”). Upon a  
26 determination by this Court, Settling Defendant shall be liable for civil penalties as provided by  
27 law, including but not limited to Business and Professions Code section 17206, for each  
28 violation of the provisions of the Consent Judgment, except that Settling Defendant shall be

1 liable for a stipulated civil penalty of \$25,000 for each day that a payment required pursuant to  
2 Paragraph 5.1 is not paid to the Payment Administrator by the respective deadline. The Parties  
3 shall meet-and-confer prior to the filing of any motion to assess penalties pursuant to this  
4 Paragraph, and shall negotiate in good faith in an effort to resolve any penalty assessments  
5 pursuant to this Paragraph without judicial intervention. Any penalties awarded pursuant to this  
6 Paragraph for violation of the Consent Judgment are not a bar to any other remedies or sanctions  
7 provided by statute, ordinance or regulation. In determining whether Plaintiff will seek  
8 penalties pursuant to this paragraph, Plaintiff will give due consideration to any enforcement  
9 action initiated by local prosecutors for the underlying conduct giving rise to the claim of  
10 violation of Paragraph 6.

11 **18. NON-DISCHARGEABILITY OF OBLIGATIONS**

12 Any payments required by Settling Defendant pursuant to this Consent Judgment are not  
13 dischargeable in bankruptcy.

14 **19. ABILITY TO INSPECT AND COPY RECORDS AND DOCUMENTS**

15 On reasonable notice and subject to all of the defenses Settling Defendant would have to  
16 requests for documents made by subpoena or other formal legal process or discovery employed  
17 by Plaintiff, any duly authorized representative of any of the undersigned offices representing  
18 the Plaintiff shall be permitted to inspect and copy such records and documents in the possession  
19 of Settling Defendant as may be reasonably necessary to determine whether Settling Defendant  
20 is in compliance with the terms of this Consent Judgment. Nothing in this paragraph is intended  
21 to require access to or production of any documents which are protected from production by the  
22 attorney-client privilege, attorney work product doctrine, or any other applicable privileges,  
23 exemptions, or immunities afforded to Settling Defendant under law.

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1           **20.    CERTIFICATION.**

2           Whenever this Consent Judgment requires the certification by the Settling Defendant,  
3 such certification shall be provided by a Settling Defendant representative at a managerial level  
4 in charge of environmental compliance matters, or by an officer of the corporation. Each  
5 certification shall read as follows:

6                       To the best of my knowledge, based on information and belief and after  
7 reasonable investigation, I certify that the information contained in or  
8 accompanying this submission is true, accurate, and complete. I am aware that  
9 there are civil and criminal penalties for submitting false information.

10           **21.    ENFORCEMENT OF JUDGMENT.**

11           In the event that a Party brings an action to enforce any of the terms of this Consent  
12 Judgment, the prevailing Party shall be entitled to its reasonable costs, including attorney fees  
13 and costs, including any costs for expert witnesses or other costs.

14           **22.    PAYMENT OF LITIGATION EXPENSES AND FEES.**

15           Settling Defendant shall pay its own attorney fees, expert witness fees and costs, and all  
16 other costs of litigation and investigation incurred to date.

17           **23.    INTERPRETATION.**

18           This Consent Judgment shall be deemed to have been drafted equally by all Parties  
19 hereto. Accordingly, the Parties hereby agree that any and all rules of construction to the effect  
20 that ambiguity is construed against the drafting Party shall be inapplicable in any dispute  
21 concerning the terms, meaning, or interpretation of this Consent Judgment.

22           **24.    COUNTERPART SIGNATURES.**

23           This Consent Judgment may be executed by the Parties in counterpart, and when a copy  
24 is signed by an authorized representative of each Party, the stipulation shall be effective as if a  
25 single document were signed by all Parties.

26           **25.    COOPERATION BY SETTLING DEFENDANT**

27           It is the intention of Settling Defendant to cooperate with the Plaintiff in addressing  
28 potential violations of environmental laws by any of Settling Defendant's independent  
contractors. Settling Defendant agrees that, at Plaintiff's reasonable request and upon reasonable  
notice, Settling Defendant will provide documents in Settling Defendant's possession or control

1 to Plaintiff for use as evidence in potential legal actions against third parties who, during the  
2 period of time and at the facilities covered by the injunction herein, have been retained by  
3 Settling Defendant as independent contractors and who are suspected of having violated  
4 environmental legal requirements, including, but not limited to, independent contractors whom  
5 Plaintiff alleges may have worked throughout California without meeting local and state  
6 requirements. Nothing in this paragraph is intended to require access to or production of any  
7 documents which are protected from disclosure by the attorney-client privilege, attorney work  
8 product doctrine, or any other applicable privileges, exemption or immunity afforded to Settling  
9 Defendant under law, nor does it waive any of the objections or defenses to which Settling  
10 Defendant would be entitled in responding to requests for documents made by subpoena or other  
11 formal legal process or discovery.

12 **27. INCORPORATION OF EXHIBITS**

13 Each of the Exhibits “A” through “G” are incorporated herein by reference.

14 **28. ENTRY AFTER NOTICED MOTION**

15 This Consent Judgment shall be brought before the Court for approval on noticed  
16 motion, and the Court shall be requested to make a fairness determination in order to ensure that  
17 this Consent Judgment is fair and in the public interest. By entering this Consent Judgment, the  
18 Court finds that its action results in a full, fair, and final resolution of the claims which were or  
19 could have been raised in the Complaint based on the facts alleged therein. Settling Defendant  
20 has indicated that it will provide written notice of the proposed settlement to all state, county,  
21 municipal, and local officials with authority to bring any claims which are designated in  
22 Paragraph 7.1 as matters covered by this Consent Judgment. Settling Defendant represents that  
23 such notice will include a complete copy of the Consent Judgment, the moving papers in support  
24 of the motion for entry of the Consent Judgment, and will specifically recite the terms of  
25 Paragraph 7.1.

26 **29. INTEGRATION.**

27 This Consent Judgment constitutes the entire agreement between the Parties and may not  
28 be amended or supplemented except as provided for in the Consent Judgment.

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**30. MODIFICATION OF CONSENT JUDGMENT.**

This Consent Judgment may be modified only upon written consent by the Parties hereto and the approval of the Court or as provided for by law. The dates which are specified in Paragraphs 5.1.a.i, 5.1.a.iii., and 5.1.c. are based on the assumption that the Court will enter the Consent Judgment before February 15, 2006. In the event that the Court does not do so, the Parties agree that those dates will be extended by the same time period in which the entry of the Consent Judgment is delayed beyond February 15, 2006.

**IT IS SO STIPULATED:**

**FOR THE PLAINTIFF**

Dated: January 13, 2006

BILL LOCKYER, Attorney General  
of the State of California  
THOMAS GREENE  
Chief Assistant Attorney General  
THEODORA BERGER  
Senior Assistant Attorney General



REED SATO  
Deputy Attorney General  
Attorneys for Plaintiff, People of the State  
of California

Dated: January 13, 2006

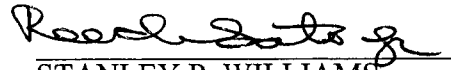
THOMAS J. ORLOFF, District Attorney  
of the County of Alameda



SUSAN M. TORRENCE  
Deputy District Attorney  
Attorneys for Plaintiff, People of the State  
of California

1 Dated: January 13, 2006


STEVE COOLEY, District Attorney  
of the County of Los Angeles  
DANIEL J. WRIGHT  
Deputy District Attorney



STANLEY P. WILLIAMS  
Assistant Head Deputy District Attorney  
Attorneys for Plaintiff, People of the State  
of California

8 Dated: January 13, 2006

DEAN D. FLIPPO, District Attorney  
of the County of Monterey



MATT BOGOSHIAN  
Deputy District Attorney  
Attorneys for Plaintiff, People of the State  
of California

14 Dated: January 13, 2006

BONNIE M. DUMANIS, District Attorney  
of the County of San Diego



KAREN I. DOTY  
Deputy District Attorney  
Attorneys for Plaintiff, People of the State  
of California

20 Dated: January 15, 2006

JAMES P. WILLET, District Attorney  
of the County of San Joaquin



DAVID J. IREY  
Supervising Deputy District Attorney  
Attorneys for Plaintiff, People of the State  
of California

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Dated: January 13, 2006

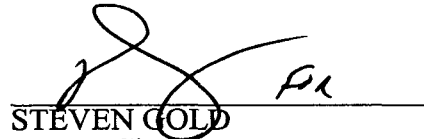
DAVID W. PAULSON, District Attorney  
of the County of Solano



DANI JO HANDELL  
Deputy District Attorney  
Attorneys for Plaintiff, People of the State  
of California

Dated: January 15, 2006


MICHAEL J. AGUIRRE, City Attorney  
of the City of San Diego



STEVEN GOLD  
Deputy City Attorney  
Attorneys for Plaintiff, People of the State  
of California

1 **FOR THE SETTLING DEFENDANT:**

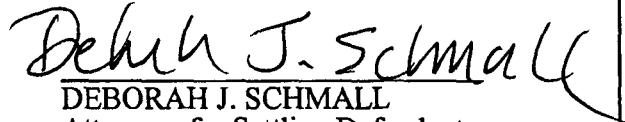
2 Dated: January 13, 2006

  
WILLIAM C. HUBER  
President - Network Services  
Pacific Bell Telephone Company dba  
AT&T California

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4  
5 **Approved as to Form:**

FARELLA BRAUN + MARTEL LLP

6  
7  
8 Dated: January 13, 2006

  
DEBORAH J. SCHMALLE  
Attorneys for Settling Defendant  
Pacific Bell Telephone Company dba  
AT&T California

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12 **IT IS SO ORDERED,**

13 Dated: \_\_\_\_\_, 2006

\_\_\_\_\_  
Judge of the Superior Court  
San Joaquin County Superior Court

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