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ENDORSED
FILED
ALAMEDA COUNTY

NOV 06 2009

CLERK OF THE SUPERIOR COURT
By PAM WILLIAMS
Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

EQUILON ENTERPRISES LLC, a Delaware Limited Liability Company; SHELL OIL COMPANY, a Delaware Corporation; SHELL OIL PRODUCTS COMPANY LLC, a Delaware Limited Liability Company; and TMR COMPANY, a Delaware Corporation,

Defendants.

Case No. R609475973

FINAL JUDGMENT AND INJUNCTION PURSUANT TO STIPULATION

ORDER [REDACTED]

IT IS HEREBY STIPULATED BY AND BETWEEN THE PARTIES THAT:

Plaintiff, the People of the State of California ("Plaintiff"), having filed its Complaint, and Defendants, Equilon Enterprises LLC d/b/a Shell Oil Products US; Shell Oil Company; Shell Oil Products Company LLC; and TMR Company (hereafter collectively "Defendants" and individually "Defendant"), having accepted service of the Complaint; and Plaintiff, appearing through its attorneys Edmund G. Brown Jr., Attorney General of the State of California, by Brett J. Morris, Deputy Attorney General; and Defendants, appearing through their attorneys Munger, Tolles & Olson LLP, by William D. Temko; and Plaintiff and Defendants having stipulated and

1 consented to the entry of this Final Judgment and Injunction Pursuant to Stipulation (“Final
2 Judgment”) prior to the taking of any proof, and without trial or adjudication of any fact or law
3 herein; and the Court having considered the pleadings and such arguments as may be had, and
4 good cause appearing:

5 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** as follows:

6 **JURISDICTION**

7 This action is brought under California law and this Court has jurisdiction of the subject
8 matter and Plaintiff and Defendants (collectively “the Parties”).

9 **APPLICABILITY**

10 1. Plaintiff alleges that on or before June 15, 2009, Defendants have committed violations of
11 requirements imposed by the California Health and Safety Code and related implementing
12 regulations that govern (a) the operation and maintenance of underground storage tanks (“USTs”)
13 and UST systems and (b) the handling of hazardous wastes and hazardous substances generated
14 by operation of USTs, UST systems, and motor vehicle maintenance, at Defendants’ facilities in
15 the State of California. Defendants have not been required to answer Plaintiff’s Complaint, but
16 deny the allegations in that Complaint, and state that they are committed to environmental
17 compliance and cooperation with Plaintiff, and therefore agree to take the actions set forth in this
18 Final Judgment.

19 2. The provisions of this Final Judgment are applicable to Defendants Equilon Enterprises
20 LLC d/b/a Shell Oil Products US (“Equilon”), a Delaware Limited Liability Company; Shell Oil
21 Company (“Shell”), a Delaware Corporation; Shell Oil Products Company LLC (“SOPC”), a
22 Delaware Limited Liability Company; and TMR Company (“TMR”), a Delaware Corporation
23 formerly known as Texaco Refining and Marketing, Inc.; and to each of their respective: a)
24 subsidiaries; b) corporate parents; c) affiliates; d) successors and assigns; e) officers, directors,
25 and successors and assigns of Defendants, subsidiaries, corporate parents, affiliates and parents of
26 affiliates. Independent contractors and subcontractors are not covered by this Final Judgment
27 except for past acts as expressly alleged in the Complaint which were performed at the direction
28 of Defendants.

1 3. For purposes of this Final Judgment, unless otherwise specified, the definitions set forth in
2 California Health and Safety Code sections 25281 and 25281.5, and Title 23 of the California
3 Code of Regulations, sections 2610 and 2611, as they exist on the date of entry of this Final
4 Judgment, shall apply to the technical terms used herein.

5 4. Nothing in this Final Judgment shall excuse Defendants, collectively or individually, from
6 meeting more stringent requirements which may be imposed hereafter by changes in applicable
7 and legally binding legislation, regulations, ordinances or permits.

8 5. The retail gasoline station facilities that are owned or operated by Defendants in the State
9 of California as of June 15, 2009, are listed on Exhibit A. Exhibit A is a living document that
10 Defendants shall keep current. Commencing on the date of entry of this Final Judgment and
11 continuing during the period that the injunctive relief provisions of this Final Judgment remain in
12 effect, Defendants shall promptly provide Notice to Plaintiff pursuant to Paragraph 16 below
13 whenever any facility listed on Exhibit A is sold or transferred, and shall promptly provide Notice
14 to Plaintiff pursuant to Paragraph 16 below whenever any additional retail gasoline facility in the
15 State of California comes to be owned or operated by any Defendant. The facilities listed on
16 Exhibit A, as modified to reflect changes in ownership or operation up to the time an action is to
17 be taken under this Final Judgment, are the "Current Facilities." All requirements of this Final
18 Judgment that are applicable to the "Current Facilities" shall also be applicable to each additional
19 retail gasoline facility in the State of California that comes to be owned or operated by any
20 Defendant after the effective date of this Final Judgment (the "New Facility" or New Facilities").
21 Requirements set out in statutes, regulations, permits or any county code shall also be applicable
22 as provided by law. Following Defendants' Notice to Plaintiff of acquisition of a New Facility,
23 additional requirements imposed solely by this Final Judgment will become applicable to each
24 New Facility only after a reasonable transition period, which shall not exceed sixty (60) days
25 from the date of acquisition of the New Facility. Requirements imposed solely by this Final
26 Judgment will cease to apply to a facility at the time Notice is given to Plaintiff pursuant to
27 Paragraph 16 below that the facility has been sold or transferred, and thus removed from the list
28 of "Current Facilities." The retail gasoline station facilities in the State of California owned or

1 operated by any of the Defendants on or before June 15, 2009, are listed on Exhibit B. The
2 facilities listed on Exhibit B are the "Released Facilities."

3
4 **INJUNCTION**

5 **6. Compliance with Statutes, Regulations, and Permits**

6 Pursuant to California Health and Safety Code sections 25299.01, 25299.04, 25189(c) and
7 25181, and the Unfair Competition Law as set forth in California Business and Professions Code
8 section 17203, Defendants are each enjoined and restrained from failing to comply with any of
9 the following legal requirements at the Current Facilities and at any New Facility owned or
10 operated by that Defendant to the full extent those legal requirements are applicable to that
11 Defendant:

12 (a) The provisions of Chapter 6.5 of Division 20 of the California Health and Safety
13 Code, and its implementing regulations and local regulations under the jurisdiction of the
14 applicable Certified Unified Program Agency (hereafter, "CUPA"), that are applicable to
15 generators of hazardous waste.

16 (b) The provisions of Chapter 6.7 of Division 20 of the California Health and Safety
17 Code, and its implementing regulations and local regulations under the jurisdiction of the
18 applicable CUPA related to the installation, operation, modification, repair or closure of
19 underground storage tank systems.

20 (c) The provisions of Chapter 6.95 of Division 20 of the California Health and Safety
21 Code, and its implementing regulations and local regulations under the jurisdiction of the
22 applicable CUPA related to hazardous materials.

23 All related regulations and county ordinances and all county and State of California permits
24 and orders based on those statutes and regulations set forth in Paragraphs 6(a), (b), and (c).

25 **7. Specific Injunctive Relief at Current Facilities**

26 (a) Defendants, collectively and individually, are enjoined and mandated to maintain a
27 "UST Compliance Management Program." This UST Compliance Management Program is an
28 environmental management program covering environmental compliance requirements at

1 Defendants' Current Facilities and any New Facilities. The UST Compliance Management
2 Program shall consist of the program components and shall meet the program objectives that are
3 more fully described in Exhibit "E" attached hereto and incorporated by reference.

4 (b) Within thirty (30) days after the entry of this Final Judgment, Defendants shall
5 deliver to each owner or operator and to each Designated Operator of each Current Facility a one-
6 time communication that provides notice of this Final Judgment and a summary of the
7 compliance provisions contained in this Final Judgment. By December 15, 2009, Defendants
8 shall submit a certification to Plaintiff that notice of the Final Judgment and a summary of the
9 compliance provisions contained in this Final Judgment have been provided to each owner or
10 operator and to each Designated Operator of each Current Facility.

11 12 CIVIL PENALTIES

13 8. Defendants, jointly and severally, shall pay **SEVENTEEN MILLION, EIGHT**
14 **HUNDRED THOUSAND DOLLARS (\$17,800,000.00)** to Plaintiff as civil and administrative
15 penalties, as follows:

16 (a) **FIVE MILLION DOLLARS (\$5,000,000.00)** as civil and administrative
17 penalties to the California State Water Resources Control Board for alleged violations of Chapter
18 6.7 of Division 20 of the California Health and Safety Code, in five (5) equal installments, with
19 each installment made payable to the "State Water Pollution Cleanup and Abatement Account."
20 The payments pursuant to this paragraph shall be made in the form described, and to the Payment
21 Administrator designated, in Paragraph 10 below. The first payment shall be made within thirty
22 (30) calendar days after the entry of the Final Judgment; the second payment shall be made no
23 later than September 15, 2010; the third payment shall be made no later than September 15, 2011;
24 the fourth payment shall be made no later than September 15, 2012; and the fifth payment shall
25 be made no later than September 15, 2013. These funds may be used by the State Water
26 Resources Control Board, at its discretion, to fund activities associated with the investigation
27 and/or enforcement of underground storage tank requirements, including those codified at
28 Chapter 6.7 of the California Health and Safety Code and its implementing regulations, and the

1 investigation and/or protection of the Underground Storage Tank Cleanup Fund. These activities
2 may include, but are not limited to, training State and local enforcement staff, hiring State
3 enforcement staff, expert witness support, and criminal investigation development and support.

4 (b) **FIVE MILLION DOLLARS (\$5,000,000.00)** as civil penalties to the California
5 Attorney General pursuant to section 17203 of the California Business and Professions Code for
6 alleged violations of the Unfair Competition Law, to be paid in five (5) equal installments, with
7 each installment made payable to "The California Department of Justice – Litigation Deposit
8 Fund." The payments pursuant to this paragraph shall be made in the form described, and to the
9 Payment Administrator designated, in Paragraph 10 below. The first payment shall be made
10 within thirty (30) calendar days after the entry of the Final Judgment by the Court; the second
11 payment shall be made no later than September 15, 2010; the third payment shall be made no
12 later than September 15, 2011; the fourth payment shall be made no later than September 15,
13 2012; and the fifth payment shall be made no later than September 15, 2013. These funds shall
14 be administered by the California Department of Justice, and shall be used by the Environment
15 Section of the Public Rights Division of the Attorney General's Office. The payment, and any
16 interest derived therefrom, shall solely and exclusively augment the budget of the Attorney
17 General's Office as it pertains to the Environment Section of the Public Rights Division and in no
18 manner shall supplant or cause any reduction of any portion of the Attorney General's budget.

19 (c) **SEVEN MILLION, EIGHT HUNDRED THOUSAND DOLLARS**
20 **(\$7,800,000.00)** as civil and administrative penalties to the District Attorneys and regulatory
21 agencies as set forth in Exhibit C hereto and in the amounts set forth therein, for alleged
22 violations of California statutes and regulations, payable as set forth in Paragraphs 8(c)(i) and (ii)
23 below, in five (5) installments, with each installment made payable to "The California
24 Department of Justice – Attorney General's Office" as Payment Administrator. The payments
25 required of Defendants pursuant to this Paragraph 8(c)(i) and (ii) shall be made in the form
26 described, and to the Payment Administrator designated, in Paragraph 10 below. Upon receipt of
27 each installment payment, the Payment Administrator shall promptly disburse those funds to the
28 appropriate offices of the District Attorneys and regulatory agencies in accordance with the

1 schedule of disbursement of payments set forth in Exhibit "C" attached hereto and made part of
2 this Final Judgment by this reference. The first payment by Defendants, in the amount of four
3 million dollars (\$4,000,000.00), shall be made within thirty (30) calendar days after the entry of
4 the Final Judgment; the second payment, in the amount of one million dollars (\$1,000,000.00),
5 shall be made no later than September 15, 2010; the third payment, in the amount of one million
6 dollars (\$1,000,000.00), shall be made no later than September 15, 2011; the fourth payment, in
7 the amount of one million dollars (\$1,000,000.00), shall be made no later than September 15,
8 2012; and the fifth payment, in the amount of eight hundred thousand dollars (\$800,000.00), shall
9 be made no later than September 15, 2013.

10 (i) **Distribution to Prosecuting Agencies:** Consistent with the provisions of
11 California Business and Professions Code section 17206, **FIVE MILLION, ONE HUNDRED**
12 **FIFTY THOUSAND DOLLARS (\$5,150,000.00)** of the civil penalties assessed in this matter
13 shall be distributed to the agencies identified in Exhibit "C" in accordance with the disbursement
14 dates and terms therein. Each disbursement shall be made by the Payment Administrator by
15 separate check made payable to the office of the District Attorney for each County designated for
16 each separate payment as identified in Exhibit "C."

17 (ii) **Distribution to Regulatory Agencies:** Consistent with the provisions of
18 California Health and Safety Code section 25299, subdivision (h), **TWO MILLION, SIX**
19 **HUNDRED FIFTY THOUSAND DOLLARS (\$2,650,000.00)** of the civil penalties assessed in
20 this matter shall be distributed to the agencies identified in Exhibit "C" in accordance with the
21 disbursement dates and terms therein. Any funds distributed to an agency identified in Exhibit
22 "C" shall be contingent upon that agency first identifying a special account and submitting to the
23 Payment Administrator, as identified in Paragraph 10 of this Final Judgment, a declaration by an
24 authorized representative of that agency stating that the funds deposited into that identified
25 special account pursuant to this Final Judgment shall be expended only to fund the activities of
26 that agency in enforcing Chapter 6.7 of the California Health and Safety Code within the
27 agency's jurisdiction pursuant to Chapter 6.11 of the California Health and Safety Code. Each
28 agency receiving civil penalties pursuant to this paragraph shall be served by Plaintiff with a copy

1 of the Final Judgment after it is entered by the Court. In the event an agency identified in Exhibit
2 "C" does not submit the declaration required by this paragraph within ninety (90) calendar days
3 of the service of the Final Judgment on that agency by Plaintiff, that agency's share of the civil
4 penalties shall be distributed by the Payment Administrator to the State Water Pollution Cleanup
5 and Abatement Account in the State Water Quality Control Fund.

6 **ATTORNEYS' FEES, COSTS, AND**
7 **CY PRES ENVIRONMENTAL RESTITUTION**

8 9. Defendants, jointly and severally, shall pay **ONE MILLION, SEVEN HUNDRED**
9 **THOUSAND DOLLARS (\$1,700,000.00)** to Plaintiff as costs, attorneys' fees, reimbursements,
10 and restitution as follows:

11 (a) **FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00)**, by check, made
12 payable to "The California Department of Justice – Attorney General's Office" as reimbursement
13 for partial recovery of investigative costs and attorneys' fees in this matter, which shall be
14 delivered within thirty (30) calendar days of issuance and entry of the Final Judgment to the
15 Payment Administrator designated in Paragraph 10 below. This payment of costs and fees shall
16 be used by the California Attorney General's Office until all funds are exhausted, for any of the
17 following purposes: (1) implementation of the Attorney General's authority to protect the
18 environment and natural resources of the State pursuant to Government Code section 12600 *et*
19 *seq.* and as Chief Law Officer of the State of California pursuant to Article V, section 13 of the
20 California Constitution; (2) enforcement of laws related to the preservation and protection of
21 public health and the environment from releases of stored hazardous substances including, but not
22 limited to, Chapter 6.7 of Division 20 of the California Health and Safety Code; (3) enforcement
23 of the Unfair Competition Law, Business and Professions Code section 17200, *et seq.*, as it relates
24 to protection of the environment and natural resources of the State; and (4) other environmental
25 enforcement actions which benefit the State of California and its citizens as determined by the
26 Attorney General. Such funding may be used for the costs of the Attorney General's
27 investigation, filing fees and other court costs, payment to expert witnesses and technical
28 consultants, purchase of equipment, laboratory analyses, personnel costs, travel costs, and other

1 costs necessary to pursue the investigation, prosecution, or enforcement of environmental actions
2 investigated or initiated by the Attorney General for the benefit of the State of California and its
3 citizens.

4 (b) **ONE HUNDRED THOUSAND DOLLARS (\$100,000.00)**, by check, made
5 payable to “The State Water Resources Control Board – Underground Storage Tank Cleanup
6 Fund,” as reimbursement for partial recovery of its costs of investigation, which shall be
7 delivered within thirty (30) calendar days of issuance and entry of the Final Judgment to the
8 Payment Administrator designated in Paragraph 10 below.

9 (c) **SEVEN HUNDRED THOUSAND DOLLARS (\$700,000.00)**, by check, made
10 payable to “The County of Sacramento – Environmental Management Department,” to fund the
11 Sacramento County Abandoned Well Restoration Project. This Project is more fully described in
12 Exhibit D, attached hereto and made part of this Final Judgment by reference. The check shall be
13 delivered within thirty (30) calendar days of issuance and entry of the Final Judgment to the
14 Payment Administrator designated in Paragraph 10 below. The County of Sacramento
15 Environmental Management Department shall ensure that these funds are expended for the
16 completion of the Sacramento County Abandoned Well Restoration Project, and shall until the
17 exhaustion of the funds provide annual reports describing the specific use of the funds and
18 describing the specific activities completed. These reports shall be submitted to Plaintiff pursuant
19 to Paragraph 16.

20 (d) **FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00)**, by check, made
21 payable to the California Climate Action Registry (“CCAR”) to allow the CCAR to accelerate its
22 efforts to operate the Climate Action Registry as an appropriate offset registry in the United
23 States so as to: (1) ensure that emission reductions from offset projects are real, additional,
24 verifiable, and permanent, (2) consolidate and bring quality and integrity to the voluntary
25 greenhouse gas offset market, and (3) educate and assure policy makers, market participants, and
26 the public regarding the role of real and credible offsets in a regulatory environment. This
27 Supplemental Environmental Project is designed to advance the environmental goals underlying
28 the California Health and Safety Code and to improve the overall environmental health of the

1 citizens of the State of California and the County of Sacramento, both of which are matters sought
2 to be remedied by this action. The check shall be delivered within thirty (30) calendar days of
3 issuance and entry of the Final Judgment to the Payment Administrator designated in Paragraph
4 10 below. CCAR shall not use any of these funds for lobbying efforts, transportation costs, or
5 other support for officials or employees of the State of California or the County of Sacramento.

6 **PAYMENT ADMINISTRATOR**

7 10. The disbursement of all payments made by Defendants to the Plaintiff pursuant to this
8 Final Judgment shall be the responsibility of the Office of the California Attorney General as
9 Payment Administrator.

10 All of the payments imposed upon Defendants pursuant to this Final Judgment shall be
11 made by check and delivered to the Office of the California Attorney General as set forth below.
12 In the alternative, payments may be made by wire transfer and such transfers shall be
13 electronically transmitted to an account and routing number as directed in writing by Plaintiff to
14 Defendants following the entry of the Final Judgment. All payments made by check shall be
15 delivered to the following address:

16 Office of the California Attorney General
17 Attention: Michele Mercado
18 Environment Section
19 1300 "I" Street, 15th Floor
20 P.O. Box 944255
21 Sacramento, California 94244-2550

22 The Payment Administrator shall be responsible for disbursing the penalties and funds in
23 accordance with the terms of this Final Judgment, and to the entities identified in Exhibit C.
24 Defendants shall provide copies of all payments made, either by mail or personal delivery, to:

25 Office of the California Attorney General
26 Brett J. Morris, Deputy Attorney General
27 1515 Clay Street, 20th Floor
28 P.O. Box 70550
Oakland, CA 94612-0550

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**ENFORCEMENT AND LIABILITY
FOR NONCOMPLIANCE BY DEFENDANTS**

11. The provisions in this Final Judgment will be enforceable only by the parties hereto.

(a) If Plaintiff reasonably believes that Defendants have failed to comply with any of the injunctive relief provisions set forth in Paragraph 7 of this Final Judgment, Plaintiff may at any time serve a Notice of Deficiency on Defendants pursuant to Paragraph 16 below that, to the extent available information allows, (1) identifies the specific instance and dates of non-compliance, (2) identifies proposed action(s) that Defendants might take to remedy that non-compliance, if the non-compliance is alleged to be ongoing, and (3) proposes a reasonable cure period for Defendants to remedy the non-compliance. If, after that reasonable cure period, Plaintiff reasonably believes that Defendants are still deficient in the performance of the requirements in this Final Judgment, Plaintiff may move this Court to enjoin Defendants from any further violation of any provision of this Final Judgment and for sanctions, contempt or other relief as provided by law for violation of the Final Judgment.

(b) If Plaintiff reasonably believes that Defendants have failed to comply with any of the injunctive relief provisions set forth in Paragraph 6 of this Final Judgment, Plaintiff may at any time serve a Notice of Deficiency on Defendants pursuant to Paragraph 16 below that, to the extent available information allows, (1) identifies the specific instance and dates of non-compliance, (2) identifies proposed action(s) that Defendants might take to remedy that non-compliance, if the non-compliance is alleged to be ongoing, and (3) proposes a reasonable cure period for Defendants to remedy the non-compliance; provided, however, that there shall be no cure period if the alleged non-compliance relates to a violation of any of the provisions set forth in Paragraphs 11.a., 11.b., 11.k., 11.ee., 11.oo., or 11.yy. of the Complaint. If, after that reasonable cure period (or before, if no cure period is allowed), Plaintiff reasonably believes that Defendants are still deficient in the performance of the requirements in Paragraph 6 of this Final Judgment, Plaintiff may (1) move this Court to enjoin Defendants from any further violation of that provision in Paragraph 6 of this Final Judgment and for any sanctions, contempt or other relief as provided by law for violation of the Final Judgment or (2) commence a separate

1 enforcement action against Defendants for the alleged statutory or regulatory violation embodied
2 in Paragraph 6 of this Final Judgment. A violation by Defendants of the provisions imposed by
3 Paragraph 6 of this Final Judgment shall be considered a claim separate and in addition to any
4 claim that may be made by Plaintiff, the CUPAs, or other enforcement agencies for a violation by
5 Defendants of the underlying statutory or regulatory requirements, which may be enforced
6 separately in another proceeding. For potential violations of Paragraph 6, the Office of the
7 Attorney General, when acting in its independent capacity on behalf of the People of the State of
8 California, agrees that if it elects to pursue an enforcement action, it will seek monetary relief
9 against Defendants in the form of sanctions for violation of this Final Judgment or judicial/civil
10 penalties for the underlying statutory or regulatory violation, but not both. In addition, if the
11 Attorney General, when acting in its independent capacity on behalf of the People of the State of
12 California, seeks monetary relief pursuant to this Paragraph and a CUPA or other enforcement
13 agency in a separate action seeks the imposition of judicial or administrative civil penalties for the
14 same underlying statutory or regulatory violation having to do with the same course of conduct,
15 Defendants shall be entitled to offset against any monetary penalties awarded to the Attorney
16 General that amount of penalties awarded to the CUPA or other enforcement agency for the same
17 underlying statutory or regulatory violation having to do with the same course of conduct.

18 (c) The parties agree to meet and confer prior to the filing of any motion to assess
19 penalties pursuant to this Paragraph, and further agree to negotiate in good faith in an effort to
20 resolve any penalty assessments pursuant to this Paragraph without judicial intervention.
21 However, in the event Plaintiff files such a motion, Defendants reserve and retain all rights and
22 defenses to oppose Plaintiff's motion, including the right to contest that Defendants are in
23 violation of this Final Judgment.

24 (d) Except for the matters covered in Paragraphs 19–21 below and those matters that
25 Plaintiff in its discretion chooses to present to the Court pursuant to Paragraph 11(a) or (b) above,
26 nothing in this Final Judgment shall restrict or condition the ability of Plaintiff, the CUPAs, or
27 other enforcement agencies to separately administer or enforce state laws or regulations, County
28 Codes, or the provisions of any order or permit issued by the CUPAs.

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AUTHORITY TO ENTER STIPULATION

12. Each signatory to this Final Judgment certifies that he or she is fully authorized by the party he or she represents to enter into this Final Judgment, to execute it on behalf of the party represented, and to legally to bind that Party. This Final Judgment may be executed by the Parties in counterparts, and when a copy is signed by an authorized representative of each Party, the stipulation shall be effective as if a single document were signed by all Parties.

INTEGRATION

13. This Final Judgment constitutes the entire agreement between the Parties as to the matters addressed herein and shall not be amended or supplemented except upon written order of this Court.

JURISDICTION RETAINED

14. The Parties submit to the jurisdiction of this Court for the following purposes:

- (a) entering this Final Judgment;
- (b) adjudicating any proceeding to enforce this Final Judgment;
- (c) adjudicating any contempt of this Final Judgment;
- (d) adjudicating any other judicial enforcement proceeding by Plaintiff directed at

continuing or additional violations of UST, hazardous waste, and hazardous materials requirements by Defendants under this Final Judgment while the injunctive relief provisions of this Final Judgment are in force;

- (e) resolving any dispute that may arise regarding this Final Judgment; and
- (f) issuing such further orders as may be necessary and appropriate for the

interpretation, implementation, modification and enforcement of this Final Judgment.

The injunctive relief provisions in Paragraphs 6 and 7 of this Final Judgment will terminate five (5) years after the date of entry of this Final Judgment.

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1 **COSTS AND FEES**

2 15. Except where specifically provided in Paragraph 9 above, each Party agrees that it shall
3 bear its respective costs, expenses and fees, including attorneys' fees, in connection with this
4 Final Judgment and any related actions.

5 **NOTICE**

6 16. All submissions and notices required by this Final Judgment shall be sent to:

7 **For Plaintiff:**

8 Office of the California Attorney General
9 Brett J. Morris, Deputy Attorney General
10 1515 Clay Street, 20th Floor
11 P.O. Box 70550
12 Oakland, CA 94612-0550

13 Director
14 Office of Enforcement
15 State Water Resources Control Board
16 1001 I Street
17 P.O. Box 100
18 Sacramento, CA 95812-0100

15 **For Defendants:**

16 Lance Tolson, Senior Legal Counsel
17 Shell Oil Company
18 910 Louisiana, OSP 4874
19 Houston, Texas 77002

20 William D. Temko, Esq.
21 Munger, Tolles & Olson LLP
22 355 South Grand Avenue, 35th Floor
23 Los Angeles, California 90071-1560

24 17. Any Party may change the individual or the address for purpose of notices to that Party by
25 a written notice specifying a new individual or address, but no such change is effective until the
26 written notice is actually received by the party sought to be charged with its contents. All notices
27 or other communications required or permitted under this Final Judgment that are addressed as
28 provided in this Paragraph are effective upon delivery if delivered personally or by overnight
mail, or if delivered by certified mail are effective five (5) calendar days following deposit with
the United States Postal Service. However, nothing in this Final Judgment shall be interpreted or

1 applied to relieve Defendants of their existing obligations to provide copies of documentation to a
2 local agency or CUPA as required by statute, regulation, or requirement.

3 **NO WAIVER OF RIGHT TO ENFORCE**

4 18. The failure of Plaintiff to enforce any provision of this Final Judgment shall in no way be
5 deemed a waiver of such provision, or in any way affect the validity of this Final Judgment. The
6 failure of Plaintiff to enforce any such provision shall not preclude Plaintiff from later enforcing
7 the same or any other provision of this Final Judgment during the period that provision of the
8 Final Judgment remains in effect. No oral advice, guidance, suggestions or comments by
9 employees or officials of any Party regarding matters covered in this Final Judgment shall be
10 construed to relieve any Party of its obligations required by this Final Judgment.

11 **MATTERS RESOLVED BY THIS FINAL JUDGMENT**

12 19. This Final Judgment is a final and binding resolution and settlement as to the Covered
13 Parties and the Covered Matters as defined below. Except for the obligations of Defendants that
14 are (1) expressly set forth in this Final Judgment; (2) set forth in the "Final Judgment in Its
15 Entirety and Injunction" entered in the matter of *People v. Equilon Enterprises LLC, et al.*, San
16 Diego County Superior Court Case No. GTC 855036; and, (3) set forth in the "Final Judgment
17 and Injunction" entered in the matter of *People v. Equilon Enterprises LLC, et al.*, Riverside
18 County Superior Court Case No. RIC 457554, Plaintiff hereby covenants not to sue or pursue any
19 further civil or administrative claims against the Covered Parties for the Covered Matters. Any
20 claim, violation, or cause of action that is not a Covered Matter is a "Reserved Claim." Reserved
21 Claims include, without limitation, any violation that occurs after the effective date of this Final
22 Judgment, and any claim, violation, or cause of action directly against Defendants' independent
23 contractors or subcontractors. The Parties reserve the right to pursue any Reserved Claim and
24 reserve the right to assert any defenses against any Reserved Claim; provided, however, that in
25 any subsequent action that may be brought by Plaintiff to enforce any Reserved Claims,
26 Defendants, collectively or individually, shall not assert, plead or raise against Plaintiff in any
27 fashion any defense or avoidance based on splitting of claims.

28 / / /

1 20. As used herein, "Covered Parties" means Defendants, collectively and individually, and
2 the other entities to whom this Final Judgment is applicable pursuant to Paragraph 2 above.

3 21. As used herein, "Covered Matters" means any claims under Chapters 6.5, 6.7 and 6.95 of
4 Division 20 of the California Health & Safety Code and related regulations (except as provided
5 below) for civil or administrative liability against any Defendant as an owner or operator of the
6 Released Facilities for acts, omissions, or events on or pertaining to the Released Facilities during
7 periods of ownership or operation by any Defendant up to the effective date of this Final
8 Judgment; any such claims under state, county or local ordinances or under permits issued by the
9 State or any County related to the installation, operation, modification, repair or removal of a
10 UST or the management of hazardous wastes or materials; and any such claims under the
11 California Business and Professions Code that are derived from any of those requirements. The
12 "Covered Matters" include all such violations; provided, however, that the "Covered Matters"
13 specifically exclude any claims under Paragraphs 11.aaa., and 11.bbb. of the Complaint which
14 were not known by Plaintiff as of the date of entry of this Final Judgment, and provided further
15 that Defendants preserve any and all defenses to such claims, including but not limited to
16 defenses based on statutes of limitation. For purposes of the exclusion in the previous sentence,
17 Plaintiff will be deemed to have known of a claim under Paragraph 11.aaa., or 11.bbb. of the
18 Complaint prior to the date of entry of this Final Judgment if, at any time prior to the date of entry
19 of the Final Judgment, either (a) the CUPA or the relevant regulatory authority was on notice of a
20 release, spill, leak or discharge at the service station facility in question, or (b) the CUPA or the
21 relevant regulatory authority had opened an environmental case at the service station facility in
22 question. As used herein, "Covered Matters" shall not preclude after the date of entry of this
23 Final Judgment the issuance of any requirement or order that Defendants shall investigate and/or
24 remediate a release, spill, leak, or discharge, or investigate a suspected release, spill, leak, or
25 discharge at any of the Released Facilities; and this Final Judgment shall not constrain claims,
26 causes of action, enforcement or corrective action orders that have been or may be filed or issued
27 for any violation of a requirement concerning the investigation and/or remediation of a release or
28 suspected release at any of the Released Facilities.

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INTERPRETATION

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

EFFECTIVE DATE

23. The "Effective Date" of this Final Judgment shall be that date of the signature of the Court entering this order.

The Parties, by and through their respective and duly authorized representatives, hereby stipulate and consent to this Final Judgment:

IT IS SO STIPULATED.

FOR THE PLAINTIFF:

Dated: September _____, 2009

EDMUND G. BROWN JR.
Attorney General of California

BRETT J. MORRIS
Deputy Attorney General
Attorneys for Plaintiff
The People of the State of California

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FOR THE SETTLING DEFENDANTS:

Dated: September _____, 2009

EQUILON ENTERPRISES LLC
d/b/a Shell Oil Products US

THOMAS N. SMITH
President
For Defendant Equilon Enterprises LLC

Dated: September _____, 2009

SHELL OIL COMPANY
By Shell Oil Products Company LLC, its
Authorized Agent

THOMAS N. SMITH
President
Shell Oil Products Company LLC
For Defendant Shell Oil Company

Dated: September _____, 2009

SHELL OIL PRODUCTS COMPANY LLC

THOMAS N. SMITH
President
For Defendant
Shell Oil Products Company LLC

Dated: September _____, 2009

TMR COMPANY (f/k/a Texaco Refining
and Marketing Inc.)

THOMAS N. SMITH
President
For Defendant TMR Company

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Approved as to Form

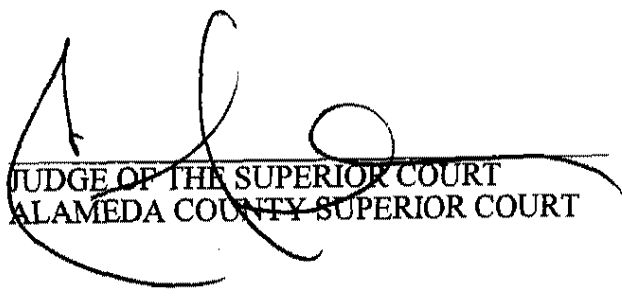
Dated: _____

MUNGER TOLLES & OLSON LLP
By:

WILLIAM TEMKO
Attorneys for Defendants

IT IS SO ORDERED.

Dated: Nov 6, 2009


JUDGE OF THE SUPERIOR COURT
ALAMEDA COUNTY SUPERIOR COURT