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20 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

21 IN AND FOR THE COUNTY OF MONTEREY

22
23 PEOPLE OF THE STATE OF
CALIFORNIA,

24 Plaintiffs,

25 v.

26 7-ELEVEN, INC.,

27 Defendants.
28

No. **M71822**

(PROPOSED) ORDER ENTERING
CONSENT JUDGMENT

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Plaintiff, People of the State of California, having filed a noticed motion for entry of the
CONSENT AGREEMENT AND STIPULATION FOR ENTRY OF FINAL JUDGMENT
(Consent Judgment), which is attached hereto as Exhibit One and is incorporated by reference.
No opposition has been filed by Defendant. Good cause appearing for approval of said Consent
Judgment,

IT IS HEREBY ORDERED that judgment is ordered in favor of the Plaintiff and
against Defendants as set forth in the Consent Judgment. By entering this Consent Judgment,
the Court finds that the Consent Judgment results in a full, fair, and final resolution of the
claims which were or could have been raised in the Complaint based on the facts alleged
therein.

IT IS SO ORDERED,

Dated: 11/5/04

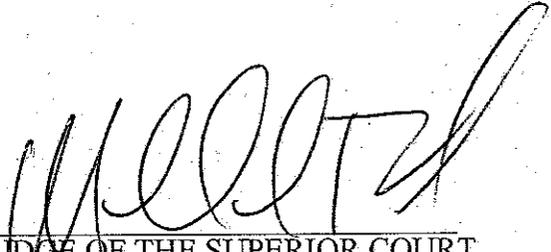

JUDGE OF THE SUPERIOR COURT
MICHAEL S. FIELDS

EXHIBIT 1

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19 Attorneys for Plaintiff, PEOPLE OF THE STATE OF CALIFORNIA

20 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

21 IN AND FOR THE COUNTY OF MONTEREY

22
23 PEOPLE OF THE STATE OF
CALIFORNIA,

24 Plaintiff,

25 v.

26 7-ELEVEN, INC.,

27 Defendant.
28

No.

CONSENT AGREEMENT AND
STIPULATION FOR ENTRY OF
FINAL JUDGMENT

///

1 WHEREAS, the PEOPLE OF THE STATE OF CALIFORNIA (hereinafter
2 "Plaintiff") investigated 7-Eleven, Inc.'s ("Settling Defendant") compliance with Chapter 6.5,
3 6.7 and 6.95 of Division 20 of the California Health and Safety Code .

4 WHEREAS, the Plaintiff agrees that Settling Defendant cooperated with the
5 investigation.

6 WHEREAS, the Plaintiff has engaged in settlement negotiations with the
7 Settling Defendant prior to the initiation of litigation. The Plaintiff and the Settling Defendant
8 (hereinafter collectively referred to as "the Parties") have agreed to settle the investigation
9 without litigation and by lodging this proposed Consent Judgment simultaneously with a
10 complaint. The Plaintiff believes that the resolution of the violations alleged in the Complaint is
11 fair and reasonable and fulfills the Plaintiff's enforcement objectives, that no further action is
12 warranted concerning the specific violations alleged in the Complaint except as provided
13 pursuant to the Consent Judgment, and that this Consent Judgment is in the best interest of the
14 general public.

15 IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

16 **1. INTRODUCTION.**

17 In this action, Plaintiff filed a civil complaint (the "Complaint") in Monterey
18 County Superior Court against Settling Defendant. The Parties settle this action on the terms set
19 forth in this Consent Agreement and Stipulation for Entry of Final Judgment (hereinafter
20 "Consent Judgment").

21 **2. COMPLAINT.**

22 The Complaint in this action alleges that the Settling Defendant violated certain
23 provisions of Chapters 6.5, 6.7 and 6.95 of Division 20 of the California Health and Safety
24 Code, and Section 17200 et seq. of the California Business and Professions Code. A true and
25 accurate copy of the Complaint is attached as Exhibit "A" hereto. The Facilities which are
26 addressed by this Consent Judgment are identified in the Complaint as "Covered Facilities."

27 **3. JURISDICTION.**

28 The Plaintiff and Settling Defendant agree that the Superior Court of California,

1 County of Monterey, has subject matter jurisdiction over the matters alleged in this action and
2 personal jurisdiction over the parties to this Consent Judgment.

3 **4. SETTLEMENT OF DISPUTED CLAIMS.**

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

11 **5. PAYMENTS FOR PENALTIES, COST REIMBURSEMENT,**
12 **ENVIRONMENTAL PROTECTION ENFORCEMENT AND OTHER PROJECTS.**

13 5.1 **Amount of Payment:** Settling will pay a total of FIVE MILLION
14 DOLLARS (\$5,000,000) which will be allocated as follows:

15 a. **Civil Penalties:** ONE MILLION NINE HUNDRED AND EIGHTY
16 THOUSAND DOLLARS (\$1,980,000). These penalties shall be allocated as
17 follows:

- 18 i. Pursuant to Health and Safety Code section 25299(f) - FOUR
19 HUNDRED FIVE THOUSAND DOLLARS (\$405,000) to the San
20 Joaquin County Environmental Health Department.
- 21 ii. Pursuant to Business and Professions Code section 17206 -
22 THREE HUNDRED EIGHTY-TWO THOUSAND FIVE HUNDRED
23 DOLLARS (\$382,500) to the Treasurer of San Joaquin.
- 24 iii. Pursuant to Health and Safety Code section 25515.2 - FOUR
25 HUNDRED FIVE THOUSAND DOLLARS (\$405,000) to the Monterey
26 County Environmental Health Department.
- 27
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1 iv. Pursuant to Health and Safety Code section 25515.2 - THREE
2 HUNDRED EIGHTY-TWO THOUSAND FIVE HUNDRED DOLLARS
3 (\$382,500) to the Monterey County District Attorney's Office.

4 v. Pursuant to Health and Safety Code section 25299(f) - FOUR
5 HUNDRED FIVE THOUSAND DOLLARS (\$405,000) to the
6 Sacramento County Environmental Health Department.

7 **b. Reimbursement of Costs of Investigation and Enforcement: ONE**
8 **HUNDRED FORTY FIVE THOUSAND DOLLARS (\$145,000).** These costs
9 are allocated as follows:

10 i. SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS
11 (\$17,500) to the San Joaquin County Environmental Health Department.

12 ii. TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) to the
13 San Joaquin County Office of Emergency Services.

14 iii. FORTY TWO THOUSAND FIVE HUNDRED DOLLARS
15 (\$42,500) to the San Joaquin County District Attorney's Office.

16 iv. TWENTY THOUSAND DOLLARS (\$20,000) to the Monterey
17 County Environmental Health Department.

18 v. FORTY TWO THOUSAND FIVE HUNDRED DOLLARS
19 (\$42,500) to the Monterey County District Attorney's Office.

20 vi. TWENTY THOUSAND DOLLARS (\$20,000) to the Sacramento
21 County Environmental Health Department.

22 **c. Environmental Projects: TWO MILLION EIGHT HUNDRED**
23 **SEVENTY FIVE THOUSAND DOLLARS (\$2,875,000)** which will be
24 allocated for the following projects:

25 i. **Environmental Protection Prosecution Fund.** TWO MILLION
26 DOLLARS (\$2,000,000) to be used in an Environmental Protection
27 Prosecution Fund ("Fund") as further described in Paragraph 5.4, below.

28 ii. **California Attorney General's Environment Section.** TWO
HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$225,000) to be

1 used by California Attorney General's Environment Section as further
2 described in Paragraph 5.5, below.

3 iii. **California CUPA Forum.** THREE HUNDRED TWENTY
4 FIVE THOUSAND DOLLARS (\$325,000) to be used by California
5 CUPA Forum as further described in Paragraph 5.6, below.

6 iv. **Environmental Training Programs.** THREE HUNDRED
7 TWENTY FIVE THOUSAND DOLLARS (\$325,000) to be used by the
8 following organizations to assist in the design of and to provide training
9 to California local and state environmental regulators with an emphasis
10 on multi-media/multi-jurisdictional enforcement courses as further
11 described in Paragraph 5.7, below, to be made available within two years
12 following entry of the Order:

13 A. FIFTY FOUR THOUSAND ONE HUNDRED SIXTY
14 SIX DOLLARS (\$54,166) to the California Environmental
15 Protection Agency.

16 B. FIFTY FOUR THOUSAND ONE HUNDRED SIXTY
17 SIX DOLLARS (\$54,166) to the California District Attorneys
18 Association.

19 C. FIFTY FOUR THOUSAND ONE HUNDRED SIXTY
20 SIX DOLLARS (\$54,166) to the California Specialized Training
21 Institute.

22 D. FIFTY FOUR THOUSAND ONE HUNDRED SIXTY
23 SIX DOLLARS (\$54,166) to the California Hazardous Materials
24 Investigators Association.

25 E. ONE HUNDRED EIGHT THOUSAND THREE
26 HUNDRED THIRTY SIX DOLLARS (\$108,336) to the Western
27 States Project.
28

1 5.2 **Procedure for Payment:** Settling Defendant shall satisfy its payment
2 obligations to the Plaintiff under Paragraph 5.1. as follows:

3 a. For civil penalties to the San Joaquin County Environmental Health
4 Department pursuant to Paragraph 5.1.a.i., Settling Defendant shall make the
5 penalty payments as follows by checks payable to the "San Joaquin County
6 Environmental Health Department Trust":

7 i. SIXTY FIVE THOUSAND DOLLARS (\$ 65,000) shall be due
8 and payable no later than five (5) days after entry of the Order.

9 ii. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due
10 and payable on July 15, 2005.

11 iii. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due
12 and payable on July 15, 2006.

13 iv. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due
14 and payable on July 15, 2007.

15 v. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due
16 and payable on July 15, 2008.

17 b. For the civil penalties to the Treasurer of San Joaquin County pursuant to
18 Paragraph 5.1.a.ii, Settling Defendant shall make the penalty payments as follows
19 by checks payable to the "Treasurer of San Joaquin County":

20 i. FORTY TWO THOUSAND FIVE HUNDRED DOLLARS
21 (\$ 42,500) shall be due and payable no later than five (5) days after entry
22 of the Order.

23 ii. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due
24 and payable on July 15, 2005.

25 iii. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due
26 and payable on July 15, 2006.

27 iv. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due
28 and payable on July 15, 2007.

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v. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due and payable on July 15, 2008.

c. For the civil penalties to the Monterey County Environmental Health Department pursuant to Paragraph 5.1.a.iii, Settling Defendant shall make the penalty payments as follows by checks made payable to the "Monterey County Environmental Health Department":

i. SIXTY FIVE THOUSAND DOLLARS (\$ 65,000) shall be due and payable no later than five (5) days after entry of the Order.

ii. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due and payable on July 15, 2005.

iii. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due and payable on July 15, 2006.

iii. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due and payable on July 15, 2007.

iv. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due and payable on July 15, 2008.

d. For the civil penalties to the Monterey County District Attorney's Office pursuant to Paragraph 5.1.a.iv, Settling Defendant shall make the penalty payments as follows by checks payable to the "District Attorney of Monterey County":

i. FORTY TWO THOUSAND FIVE HUNDRED DOLLARS (\$ 42,500) shall be due and payable no later than five (5) days after entry of the Order.

ii. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due and payable on July 15, 2005.

iii. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due and payable on July 15, 2006.

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iv. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due and payable on July 15, 2007.

v. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due and payable on July 15, 2008.

e. For the civil penalties to the Sacramento County Environmental Health Department pursuant to Paragraph 5.1 a.v., Settling Defendant shall make the penalty payments as follows by checks made payable to the "Sacramento County Environmental Health Department":

i. SIXTY FIVE THOUSAND DOLLARS (\$ 65,000) shall be due and payable no later than five (5) days after the entry of the Order.

ii. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due and payable on July 15, 2005.

iii. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due and payable on July 15, 2006.

iii. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due and payable on July 15, 2007.

iv. EIGHTY FIVE THOUSAND DOLLARS (\$ 85,000) shall be due and payable on July 15, 2008.

f. For the costs of investigation and enforcement pursuant to Paragraph 5.1.b., Settling Defendant payments shall be due and payable no later than five (5) days after entry of the Order as follows:

i. SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS (\$17,500) by check made payable to the "San Joaquin County Environmental Health Department".

ii. TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) by check made payable to the "San Joaquin County Office of Emergency Services".

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iii. FORTY TWO THOUSAND FIVE HUNDRED DOLLARS (\$42,500) by check made payable to the "San Joaquin County District Attorney's Office".

iv. TWENTY THOUSAND DOLLARS (\$20,000) by check made payable to the "Monterey County Environmental Health Department".

v. FORTY TWO THOUSAND FIVE HUNDRED DOLLARS (\$42,500) by check made payable to the "Monterey County District Attorney's Office".

vi. TWENTY THOUSAND DOLLARS (\$20,000) by check made payable to the "Sacramento County Environmental Health Department".

g. For the Environmental Protection Prosecution Fund pursuant to Paragraph 5.1.c.i., Settling Defendant shall make the payment by a check payable to the "California Department of Justice" in the amount of TWO MILLION DOLLARS (\$2,000,000) which shall be due and payable no later than five (5) days after entry of the Order.

h. For the California Attorney General's Environment Section pursuant to Paragraph 5.1.c.ii., Settling Defendant shall make the payment by a check payable to the "California Department of Justice" in the amount of TWO HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$225,000) which shall be due and payable no later than (5) days after entry of Order.

i. For the California CUPA Forum pursuant to Paragraph 5.1.c.iii., Settling Defendant shall make the payments as follows by checks made payable to the CUPA Forum Board:

i. ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) shall be due and payable no later than five (5) days after the entry of the Order.

ii. THIRTY SIX THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$ 36,250) shall be due and payable by July 15, 2005.

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iii. THIRTY SIX THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$ 36,250) shall be due and payable by July 15, 2006.

iv. THIRTY SIX THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$ 36,250) shall be due and payable by July 15, 2007.

v. THIRTY SIX THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$ 36,250) shall be due and payable by July 15, 2008.

j. For the Environmental Training Programs pursuant to Paragraph 5.1.c.iv., Settling Defendant shall make the payments as follows:

i. By checks made payable to the "California Environmental Protection Agency":

A. THIRTY THOUSAND DOLLARS (\$ 30,000) shall be due and payable no later than five (5) days after entry of the Order.

B. TWENTY FOUR THOUSAND ONE HUNDRED AND SIXTY SIX DOLLARS (\$24,166) shall be due and payable by July 15, 2005.

ii. By checks made payable to the "California District Attorneys Association":

A. THIRTY THOUSAND DOLLARS (\$ 30,000) shall be due and payable no later than five (5) days after entry of the Order.

B. TWENTY FOUR THOUSAND ONE HUNDRED AND SIXTY SIX DOLLARS (\$24,166) shall be due and payable by July 15, 2005.

iii. By checks made payable to the "California Specialized Training Institute":

A. THIRTY THOUSAND DOLLARS (\$ 30,000) shall be due and payable no later than five (5) days after entry of the Order.

1 B. TWENTY FOUR THOUSAND ONE HUNDRED AND
2 SIXTY SIX DOLLARS (\$24,166) shall be due and payable by
3 July 15, 2005.

4 iv. By checks made payable to the "California Hazardous Materials
5 Investigators Association":

6 A. THIRTY THOUSAND DOLLARS (\$ 30,000) shall be due
7 and payable no later than five (5) days after entry of the Order.

8 B. TWENTY FOUR THOUSAND ONE HUNDRED AND
9 SIXTY SIX DOLLARS (\$24,166) shall be due and payable by
10 July 15, 2005.

11 v. By checks made payable to the "Western States Project":

12 A. SIXTY THOUSAND DOLLARS (\$ 60,000) shall be due
13 and payable no later than five (5) days after entry of the Order.

14 B. FORTY EIGHT THOUSAND THREE HUNDRED AND
15 SIXTY SIX DOLLARS (\$48,336) shall be due and payable by
16 July 15, 2005.

17 **5.3 Delivery of Payment Checks**

18 a. All payments, except those required pursuant to Paragraphs 5.2.g. and 5.2.h.,
19 shall be delivered to:

20 Office of the District Attorney, San Joaquin County
21 Attention: David J. Irely, Deputy District Attorney
22 San Joaquin County Courthouse, Room 202
P.O. Box 990
Stockton, California 95201

23 b. All payments required to be made to the California Attorney General
24 pursuant to Paragraphs 5.2.g. and 5.2.h. shall be made by cashier's or certified
25 check. The check shall bear on its face the Case name, the Superior Court docket
26 number, and the Attorney General's internal docket number for this matter -
27 00002 430 SA2003IN1222. The payment shall be sent to:
28

1 California Department of Justice
2 Accounting Section - Cashiering Unit
3 Attention: Janie Apodaca
4 1300 "T" Street, Suite 810
5 P.O. Box 944255
6 Sacramento, California 94244-2550

7 The California Department of Justice may initially place any payments made
8 pursuant to this Paragraph in its Litigation Deposit Fund and shall be responsible
9 for distributing the funds provided by this payment to the appropriate accounts
10 managed by the Office of the Attorney General as set forth in this Consent
11 Judgment.

12 5.4 **Environmental Protection Prosecution Fund.** The payment made
13 pursuant to Paragraph 5.2.g. shall be placed in an interest-bearing Special Deposit Fund
14 established by the California Attorney General. Such funds shall be available for use in
15 environmental enforcement actions to benefit the State of California and its citizens. This Fund
16 shall be organized solely and exclusively for the purpose of enhancing the investigation,
17 prosecution, and enforcement of environmental protection actions brought pursuant to the
18 environmental protection statutes of the State of California (including but not limited to Chapter
19 2 of Division 6 of the Fish & Game Code, Chapters 6.5, 6.7, 6.95 of Division 20 of the Health &
20 Safety Code, and Division 7 of the Water Code as amended from time to time) by the California
21 Attorney General, district attorneys and such city attorneys as are authorized to bring such
22 actions pursuant to those statutes ("eligible city attorneys"). The \$2,000,000 transferred into the
23 Special Deposit Fund and any interest derived therefrom shall not be considered part of the
24 budget of the Attorney General's Office and in no manner shall supplant or cause any reduction
25 of any portion of the Attorney General's budget. The details regarding the operation of the Fund
26 shall be set forth in a separate order from the Court.

27 5.5 **California Attorney General's Environment Section, Public Rights**
28 **Division.** The \$225,000 payment made pursuant to Paragraph 5.2.h and any interest derived
therefrom shall be used by the Environment Section of the Public Rights Division of the
Attorney General's Office, until all funds are exhausted, for any of the following purposes: A)

1 implementation of the Attorney General's authority to protect the environment and natural
2 resources of the State pursuant to Government Code section 12600 et seq. and as Chief Law
3 Officer of the State of California pursuant to Cal. Const., Art. V., §13; B) implementation of the
4 California Environmental Quality Act; C) enforcement of the Safe Drinking Water and Toxic
5 Enforcement Act of 1986, and D) other environmental enforcement actions which benefit the
6 State of California and its citizens as determined by the Attorney General. Such funding may be
7 used for the costs of the Attorney General's investigation, filing fees and other court costs,
8 payment to expert witnesses and technical consultants, purchase of equipment, laboratory
9 analyses, personnel costs, travel costs, and other costs necessary to pursue the investigation,
10 prosecution, or enforcement of environmental actions investigated or initiated by the Attorney
11 General for the benefit of the State of California and its citizens. The \$225,000 paid pursuant to
12 Paragraph 5.1.c.ii, and any interest derived therefrom shall solely and exclusively augment the
13 budget of the Attorney General's Office as it pertains to the Environment Section of the Public
14 Rights Division and in no manner shall supplant or cause any reduction of any portion of the
15 Attorney General's budget.

16 5.6. **California CUPA Forum.** The \$325,000.00 payment made pursuant to
17 5.1.c.iii, shall be used by the California CUPA Forum, upon acceptance, to provide scholarships
18 to multi-media/multi-jurisdictional enforcement courses in the State of California within the
19 next five (5) years. The CUPA Forum shall establish a scholarship program that provides
20 scholarships to a participating agency based exclusively on number of the Covered Facilities
21 that existed within the agency's jurisdiction relative to the total number of Covered Facilities at
22 the time of the entry of the Order. If the payment is accepted by the California CUPA Forum, it
23 shall provide annual reports, starting on July 1, 2005, until the exhaustion of the funds
24 indicating the number of scholarships, the monetary value of the scholarships, and the agencies
25 receiving the scholarships. The reports shall be submitted to the Plaintiff's representatives
26 identified in Paragraph 8 of this Consent Judgment. In the event that California CUPA Forum
27 chooses not accept the payment pursuant to the requirements of the Order, the Plaintiff shall
28

1 request, by noticed motion, an alternate disposition of the \$325,000 that would have been
2 provided to the California CUPA Forum.

3 5.7 **Environmental Training Programs.** The \$325,000.00 payment made
4 pursuant to Paragraph 5.1.c.iv. shall be used by each of the designated organizations, upon
5 acceptance, to design and to provide training to California local and state regulators on multi-
6 media/multi-jurisdictional enforcement courses with emphasis on courses related to enforcement
7 actions taken by regulators utilizing local prosecutors or the Attorney General's Office. Such
8 training shall take place, to the extent reasonably possible, within two years following entry of
9 the Consent Judgment. The California Environmental Protection Agency, the California District
10 Attorneys Association, the Western States Project working in close cooperation with the United
11 States Environmental Protection Agency Federal Law Enforcement Training Center personnel,
12 the California Specialized Training Institute, and the California Hazardous Materials
13 Investigators Association shall, whenever possible, coordinate their training monies and training
14 dates in order to advance the immediate training needs of local and state regulators who work
15 with local prosecutors and/or the Attorney General's Office in the environmental enforcement
16 arena. If the payment is accepted by a designated entity, it shall provide annual letter reports,
17 starting on July 1, 2005, until the exhaustion of the funds describing the specific use of the funds
18 and the type of training provided. The reports shall be submitted to the Plaintiff's
19 representatives identified in Paragraph 8 of this Consent Judgment. In the event that one of the
20 designated entities chooses not accept its share of the \$325,000 pursuant to the requirements of
21 the Order, the Plaintiff shall request, by noticed motion, an alternate disposition of that entity's
22 share of the \$325,000.

23 5.8 **Recognition of Environmental Improvement Work:**

24 a. Settling Defendant has represented that it has spent or will spend up to
25 TEN MILLION ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$10,180,000), during
26 the next six (6) years to improve its Underground Tank Systems in ways that exceed regulatory
27 requirements for those systems ("Environmental Improvements"). The Environmental
28 Improvements are listed on Exhibit "B." Plaintiff and Settling Defendant agree that credit will

1 be given for the proven direct expenditures to complete the Environmental Improvements.
2 Settling Defendant is not obligated to spend a specific dollar amount for an Environmental
3 Improvement listed on Exhibit "B", if it can be completed for a lower dollar amount than the
4 estimate for that improvement on Exhibit "B." For the purposes of this Consent Judgment,
5 Plaintiff will credit Settling Defendant for and recognize all such proven direct expenditures for
6 the Environmental Improvements as indicated on Exhibit "B". Such different dollar amount will
7 not affect Settling Defendant's payment obligations pursuant to Paragraph 5.1. Plaintiff's
8 recognition of such work does not affect Settling Defendant's payment obligations pursuant to
9 Paragraph 5.1

10 b. Settling Defendant shall provide evidence acceptable to Plaintiff that
11 Settling Defendant has expended monies as set forth above, including, without limitation, a
12 certified report by Settling Defendant describing work and the expenditures made by Settling
13 Defendant for the Environmental Improvements. Such evidence shall be initially submitted to
14 Plaintiff within three (3) months of the entry of the Consent Judgment. Thereafter, Settling
15 Defendant shall submit semi-annual reports commencing on July 1, 2005 which provide
16 information and evidence of expenditures on the Environmental Improvements for the prior six
17 months including appropriate information that was not included in a prior report. The semi-
18 annual reports shall be submitted until Settling Defendant completes its obligations for
19 implementing the Environmental Improvements.

20 5.9 A photocopy of all payments made pursuant to Paragraph 5.2 shall be
21 sent, at the same time that they are delivered for payment, to each of Plaintiff's representatives
22 as identified in Paragraph 8.

23 **6. INJUNCTIVE RELIEF**

24 Pursuant to provisions of Health and Safety Code sections 25181, 25299.01,
25 25516.2, Business and Professions Code Section 17203, and the Court's equitable powers,
26 Settling Defendant shall comply with the applicable provisions of Chapter 6.5, Chapter 6.7, and
27 Chapter 6.95 of the Health and Safety Code. Any violation of the injunction required by this
28

1 Consent Judgment shall be considered separate and in addition to any violation of those
2 underlying provisions.

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

4 7.1 Except as provided in Paragraph 7, the Consent Judgment is a final and
5 binding resolution and settlement of all claims, violations or causes of action alleged by the
6 Complaint in this matter or which could have been asserted, according to statute, by or through
7 the People of the State of California based on the specific facts alleged in the Complaint against
8 Settling Defendant and its subsidiaries, corporate parents, each of its affiliates and parents,
9 successors, heirs, assigns, and its officers, directors, partners, employees, representatives,
10 agents, property owners, tank owners, franchisees, and facility operators at the Covered
11 Facilities. In the event that litigation is filed by an entity which is not a party to this action
12 against Settling Defendant based upon claims , violations or causes of action alleged by the
13 Complaint in this matter, or which could have been asserted based on the specific facts alleged
14 in the Complaint, Settling Defendant shall notify Plaintiff within thirty (30) days of service of
15 such litigation on Settling Defendant. After notice, Plaintiff will in appear in such subsequent
16 litigation to explain the effect of this Consent Judgment on such litigation. If Plaintiff
17 determines that the subsequent litigation is barred by the Consent Judgment, Plaintiff will
18 support Settling Defendant in arguing that the subsequent litigation is barred by the principle of
19 res judicata.

20 7.2. The provisions of this Paragraph 7.1 are expressly conditioned on Settling
21 Defendant's full payment of the civil penalty and costs by the deadlines specified in the Consent
22 Judgment and its full satisfaction of Paragraph 5.8; provided, however, that after full payment of
23 such civil penalty and costs, the provisions of this Paragraph 7.2 will remain in full force and
24 effect unless and until a court makes a determination that Settling Defendant has not fully
25 satisfied Paragraph 5.8.

26 7.3 Paragraphs 7.1 and 7.2 have no effect on the ability of Plaintiff to enforce
27 the terms of the Consent Judgment. Moreover, this Court retains exclusive jurisdiction to
28 address any future claims for injunctive relief , penalty assessments, or other relief for the

1 Covered Facilities against any Settling Defendant arising from or related to any alleged or actual
2 violations of the Consent Judgment.

3 7.4 The matters which are addressed as set forth in Paragraph 7.1 or which
4 are subject to this Court's continuing jurisdiction pursuant to Paragraph 7.3 are a "Covered
5 Matter".

6 7.5 Any violations of law, statute, regulation or ordinance which are based on
7 facts not expressly alleged by the Complaint or addressed as a Covered Matter are not resolved,
8 settled, or covered by this Consent Judgment.

9 7.6 Settling Defendant covenants not to sue or pursue any civil or
10 administrative claims against Plaintiff or agencies of the State of California, any counties of the
11 State of California or any Certified Unified Program Agency, Participating Agency or Unified
12 Program Agency as those terms are defined pursuant to Health and Safety Code section
13 25281(d)(1)(2) and (3), or their officers, employees, representatives, agents or attorneys arising
14 out of or related to any matter expressly addressed by this Consent Judgment, except for the
15 purpose of enforcing Plaintiff's obligations under this Consent Judgment.

16 7.7 Notwithstanding any other provision of the Consent Judgment, any claims
17 or causes of action for performance of cleanup, corrective action or response action, or claims or
18 causes of action for criminal penalties, civil penalties, damages, injunctive relief, or recovery of
19 response costs concerning or arising out of possible or actual past or future releases, spills,
20 leaks, discharges or disposal of motor vehicle fuels, hazardous wastes or hazardous substances
21 caused or contributed to by Settling Defendant at locations at or around the Covered Facilities
22 are not resolved by this Consent Judgment, and such claims or causes of action are reserved by
23 the People of the State of California.

24 7.8 Except as provided by this Consent Judgment, the Parties reserve the
25 right to pursue any claims not covered by this Consent Judgment and any defense to such
26 reserved claims.

27 7.9 In any subsequent action that may be brought by Plaintiff to enforce any
28 reserved claims or claims excluded from this settlement, Settling Defendant will not assert,

1 plead or raise against Plaintiff in any fashion any defense or avoidance based on: i) splitting of
2 claims; ii) laches or similar defenses concerning either the timeliness of commencing such
3 action separate from this action; or iii) the appropriateness of bringing such later claims against
4 Settling Defendant separate from this action. This Paragraph does not affect any statute of
5 limitations, if any, which may be applicable to any reserved claims or claims excluded from this
6 settlement.

7 **8. NOTICE.**

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

9 For Plaintiff:

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

16 David Irely, Esq.
17 Lead Deputy District Attorney
18 Environmental Prosecutions Unit
19 Office of the District Attorney, San Joaquin County
20 San Joaquin County Courthouse, Room 202
21 P.O. Box 990
22 Stockton, California 95201

23 Matt Bogoshian, Esq.
24 Deputy District Attorney
25 Environmental Prosecution Unit
26 Office of the District Attorney, Monterey County
27 1200 Aguajito Road, Room 301
28 Monterey, California 93940

For Settling Defendant:

7-Eleven, Inc.
Attn: General Counsel
2711 North Haskell Avenue
Dallas, Texas 75205

Kirk F. Sniff
Courtney L. Jones
Strasburger & Price, LLP
901 Main Street, Suite 4300
Dallas, Texas 75202-3794

1 James M. Mattesich
2 Livingston & Mattesich
3 1201 K Street, Suite 1100
4 Sacramento, California 95814-3938

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

11 **9. NECESSITY FOR WRITTEN APPROVALS**

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

20 **10. EFFECT OF JUDGMENT.**

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

27 **11. PLAINTIFF IS NOT LIABLE.**

28 The Plaintiff shall not be liable for any injury or damage to persons or property
resulting 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
7 shall in no way be deemed a waiver of such provision, or in any way affect the validity of this
8 Consent Judgment. The failure of the Plaintiff to enforce any such provision shall not preclude
9 it from later enforcing the same or any other provision of this Consent Judgment. No oral
10 advice, guidance, suggestions or comments by employees or officials of any Party regarding
11 matters covered in this Consent Judgment shall be construed to relieve any Party of its
12 obligations required by this Consent Judgment.

13 **13. REGULATORY CHANGES.**

14 Nothing in this Consent Judgment shall excuse Settling Defendant from meeting
15 any 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
22 authorized by the party he or she represents to enter into this Consent Judgment, to execute it on
23 behalf of the party represented and legally to bind that party.

24 **16. CONTINUING JURISDICTION.**

25 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.

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1 equity they may have with regard to any such Enforcement of Claims including the amount of
2 any penalties sought.

3 **18. INTEGRATION.**

4 This Consent Judgment constitutes the entire agreement between the parties and
5 may not be amended or supplemented except as provided for in the Consent Judgment.

6 **19. MODIFICATION OF CONSENT JUDGMENT.**

7 This Consent Judgment may be modified only upon written consent by the
8 parties hereto and the approval of the Court.

9 **20. CERTIFICATION.**

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

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

17 **21. ENFORCEMENT OF JUDGMENT.**

18 In the event that a Party brings an action to enforce any of the terms of this
19 Consent Judgment, the prevailing party shall be entitled to its reasonable costs of enforcement,
20 including attorney fees and costs, including any costs for expert witnesses or other costs of
21 enforcement.

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

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

25 **23. INTERPRETATION.**

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

1 24. NOTIFICATION OF OWNERS AND OPERATORS OF
2 AFFECTED SYSTEMS.

3 Within thirty (30) business days after the entry of the Consent Judgment, 7-
4 Eleven, Inc. shall provide via certified mail, or via some other verifiable means of delivery
5 acceptable to the Plaintiff, a summary of this Consent Judgment to each owner and operator of a
6 Covered Facility. The text of the summary is set forth in Exhibit "C". In addition, Settling
7 Defendant shall provide the summary of the Consent Judgment to every person who becomes an
8 owner and/or operator of a Covered Facility after the effective date of this Consent Judgment. A
9 copy of each notification required by this paragraph and the certified mail receipt shall be
10 provided to the Plaintiff within thirty (30) business days of delivery of such notification to such
11 owner and operator. Settling Defendant shall make a copy of the Consent Judgment available to
12 any owner or operator of a Covered Facility upon request.

13 25. COUNTERPART SIGNATURES.

14 This Consent Judgment may be executed by the parties in counterpart, and when
15 a copy is signed by an authorized representative of each party, the stipulation shall be effective
16 as if a single document were signed by all parties.

17 26. COOPERATION BY SETTLING DEFENDANT

18 Settling Defendant agrees that at Plaintiff's reasonable request, Settling
19 Defendant will provide documents in Settling Defendant's possession or control to Plaintiff for
20 use as evidence in potential legal actions against third parties who have from time-to-time been
21 retained by Settling Defendant as independent contractors and who are suspected of having
22 violated environmental legal requirements, including, but not limited to, independent contractors
23 whom Plaintiff alleges may have worked throughout California without meeting local and state
24 requirements.

25 27. INCORPORATION OF EXHIBITS

26 Each of the Exhibits "A" through "C" are incorporated herein by reference.

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28. ENTRY AFTER NOTICED MOTION

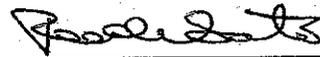
This Consent Judgment shall be brought before the Court for approval on noticed motion and the Court shall be requested to make a fairness determination in order to ensure that this Consent Judgment is fair and in the public interest.

IT IS SO STIPULATED:

FOR THE PLAINTIFF

Dated: October 4, 2004

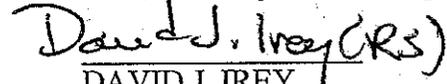
BILL LOCKYER, Attorney General
of the State of California
THOMAS GREENE
Chief Assistant Attorney General
THEODORA P. BERGER
Senior Assistant Attorney General



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

Dated: October 4, 2004

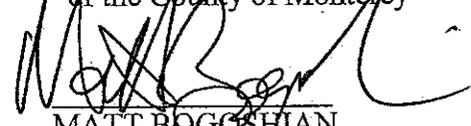
JOHN D. PHILLIPS, District Attorney
of the County of San Joaquin



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

Dated: October 6, 2004

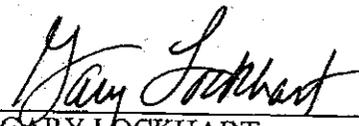
DEAN D. FLIPPO, District Attorney
of the County of Monterey



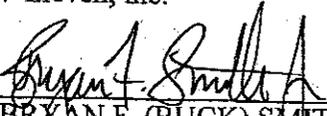
MATT BOGGS
Deputy District Attorney
Attorneys for Plaintiff, People of the State
of California

1 **FOR THE SETTLING Defendant:**

2 Dated: ~~September~~ ^{October} 1, 2004


GARY LOCKHART,
Vice-President - Gasoline
7-Eleven, Inc.

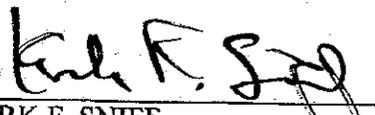
4 Dated: ~~September~~ ^{October 1}, 2004


BRYAN F. (BUCK) SMITH
Executive Vice-President and General
Counsel
7-Eleven, Inc.

8 **Approved as to Form:**

10 STRASBURGER & PRICE, LLP

11 Dated: ~~September~~ ^{October} 1, 2004


KIRK F. SNIFF
Attorneys for Settling Defendant 7-Eleven,
Inc.

15 LIVINGSTON & MATTESICH LAW
CORPORATION

16 Dated: ~~September~~ ^{October} 4, 2004


JAMES M. MATTESICH
Attorneys for Settling Defendant 7-Eleven,
Inc.

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